THE ROLE OF TRANSITION ASSISTANCE

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EXECUTIVE SUMMARY

The Center for Development Information and Evaluation (CDIE) conducted an evaluation of transition assistance in 2000-2001. The evaluation examined the role and activities of the USAID Office of Transition Assistance (OTI) in providing short-term assistance in the critical two-year period after conflict. The assessment addressed key questions involving program decision-making, planning, implementation, duration and effectiveness. The evaluators conducted four case studies – in Indonesia, East Timor, Kosovo and Nigeria – and interviewed numerous key informants familiar with one or more transition programs administered by OTI.

USAID views transition assistance as a "bridge" between disaster assistance and development assistance. Simplified procedures, flexible funding and rapid response characterize transition programs. Funding authorities (International Disaster Assistance and Transition Initiatives Assistance funding accounts) enhance flexibility in planning, in trying out new approaches, and in procuring goods and services.

Decisions to initiate transition programs involved the application of a set of questions or guidelines, an in-country assessment and consultation with key USAID and other U.S. Government partners. OTI decisions regarding the 21 programs reviewed were generally consistent with the guidelines, except for Honduras which involved a natural disaster rather than typical conflict-prone transition. The evaluation notes that the questions served more as guidelines than as selection criteria and recommends that decisions be systematically documented for transparency.

Program planning at the central office level generally emphasized activity planning rather than strategic planning. The evaluation recommends that the new OTI strategic plan identify objectives that are within its manageable interest and develop a performance monitoring system that tracks accomplishments systematically across programs. Country-level planning of OTI programs is becoming more strategic. However, the evaluation suggests that better integration of OTI country plans with mission country strategic plans could help avert the proliferation of objectives, enhance program complementarity, simplify performance monitoring, and better consolidate Agency performance reporting at the country level.

Rapid, flexible action and experimentation characterized transition program implementation. Tailored procurement mechanisms supported a rapid response. For example, the pool of consultants under flexible contracts ready for deployment as needed and a set of indefinite quantity contracts permitted rapid start-up and implementation. Integration of field operations support with those of in-country missions enhanced program integration.

The evaluation found that OTI effectively coordinated its programs with the Office of Foreign Disaster Assistance, other U.S. government partners, and other donors at the field level. However, coordination with regional bureau field missions showed a mixed record. Kosovo provides an effective model of coordination, but other case studies indicated communication and program coordination problems. The evaluation recommends that the Agency provide clearer guidance to OTI and other mission elements to effect improved coordination. The guidance should address authority and reporting structures, roles and responsibilities, program integration and results reporting, and integration of operations at the field level, among others. While OTI and the central democracy and governance office coordinated their programs effectively, coordination at the field level was mixed, with both units addressing political development and in some cases undertaking similar activities. The establishment of the separate central conflict office raises another concern of role and responsibility duplication. Rationalization of roles and responsibilities of OTI, the Office of Democracy and Governance, and Office of Conflict Management and Mitigation could help the Agency avoid program duplication and better consolidate its political development efforts.

Most of OTI's initial 21 programs have lasted three or more years, with several lasting five or six years. The assessment found that inconsistent application of the stated two-year policy created confusion among regional bureau and mission staff and affected the timeliness of program handoff. The evaluation calls for the Agency to clarify its policy on the duration of transition assistance, including circumstances under which a program would be extended or phased down rather than phased out. Planning early for activity handoff, preferably at the activity design stage, is important to ensure appropriate USAID mission staff or other partners can assume responsibility, including providing management and financial resources, to continue transition initiatives where appropriate.

The evaluation examined the effectiveness of selected activities at the field level. Three activities reviewed showed especially promising results. The media strengthening initiative in Indonesia was visible, timely and effective in supporting elections, helping develop a legal framework for media and building non-governmental organization capacity to use media in accomplishing advocacy goals. The community development activity in Kosovo effectively introduced basic democratic processes at the grassroots level while at the same time helped war-devastated communities meet reconstruction needs. The conflict-management training initiative in Nigeria helped Nigerians mitigate or better manage a number of conflicts at the local level.

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I. INTRODUCTION

CDIE conducts Agency-wide evaluations on program and operation topics of interest to USAID managers and policymakers. In 2000 CDIE initiated an evaluation of the role of USAID transition assistance with a specific emphasis on the role and activities of OTI. Transition assistance, as used here, refers to the OTI-administered programs that provide flexible, short-term responses to help advance peaceful, democratic change in conflict-prone countries. The assistance has usually been provided during the critical period after conflict when countries are most vulnerable to renewed conflict or instability. The assessment centered on the following set of questions:

- What has been the role of OTI-administered transition assistance? How has it evolved over time?

- Were decisions to initiate transition programs made in a transparent fashion? Were the proper guidelines considered?

- What were the strengths and weaknesses of transition assistance planning? What was the relationship between transition planning and country strategic planning?

- How was transition assistance implemented in the respective countries? What were the strengths and weaknesses of the approach? What was the relationship between OTI and democracy-governance programs?

- Was the duration of the transition program appropriate? Were transition activities being handed off effectively to other mission or donor development programs?

- Did transition activities achieve their objectives effectively?

The CDIE assessment includes four case studies and this synthesis report.[1] The evaluators reviewed documents; conducted interviews with approximately 70 individuals from USAID, other U.S. government agencies (the Department of State and National Security Council), other donors and implementing organizations; and assessed operations and activities in four societies: Indonesia, East Timor, Kosovo and Nigeria.

Background

The end of the Cold War witnessed an increase in armed conflict or civil wars among countries in the developing world, resulting in more complex humanitarian emergencies.

[1] This report draws upon a draft report prepared by principal consultant Glenn Slocum of Associates for Global Change and working papers of four field studies conducted by one or more evaluations, including Jean DuRette, Glenn Slocum and Gene Dewey. Working papers of field studies include: East Timor (PN-CAN-764), Indonesia (PN-CAN-766), Kosovo (PC-CAN-768) and Nigeria (PC-CAN-770). CDIE Evaluation Highlights 77 summarize the working papers: East Timor (PN-ACN 765), Indonesia 78 (PN-ACN 767), Kosovo 79 (PN-ACN 769) and Nigeria 80 (PN-CAN 771).

In the 1990s international development agencies – USAID in particular – saw the level of emergency assistance funding rise to unprecedented levels. USAID faced the challenge of addressing the increasing number of complex humanitarian emergencies in countries emerging from violent conflict and institutional breakdown. The Agency provided emergency relief (food and non-food assistance such as tents, water, seeds, farming tools and medical supplies) to save lives and alleviate suffering in these countries. But additional reconstruction efforts were needed before the launching of longer-term sustainable development programs.

Recognizing the need for an effective tool to respond to crises and transitions, the USAID Administrator set up OTI in 1994 to provide short-term assistance during the interim period between relief and sustainable development programs. OTI actively engaged in an increasing number of countries over time and its funding grew from a low of $8.4 million in FY 1994 to more than $50 million in FY 2000. Over the FY 1994-FY 2000 period the office programmed nearly $257 million for activities in 23 countries. The bulk of funding – 81 percent – was International Disaster Assistance.[2]

Approach

The evaluation team reviewed numerous program and activity documents, conducted interviews in Washington and visited four field sites. The team interviewed more than 70 individuals from USAID, the State Department, the National Security Council and other funding organizations in Washington, DC who were familiar with OTI operations and activities. These initial interviews identified key issues for further exploration and helped refine questions to guide data collection in the case studies. They also provided general data on OTI's role across a number of country programs. Visits to Indonesia, East Timor, Kosovo and Nigeria involved the review of programs in four field sites and additional interviews with mission leadership, OTI staff, non-OTI mission staff, implementing partners and other donors.

CDIE country assessments usually examine completed development activities to address issues of impact and sustainability. Because this evaluation involved operational issues and short-term transition activities, the evaluators conducted assessments during implementation while knowledgeable OTI staff were available in the countries. Programs assessed included those with and without an on-site USAID mission. Programs also varied by the timing of program initiation relative to conflict.

Country Program Context

Indonesia

OTI initiated its program in Indonesia in August 1998 in the aftermath of a deteriorating economy, extensive civil unrest and the eventual resignation of President Suharto in May 1998. Vice President Habibie assumed power while the country embarked on plans for parliamentary elections in mid-1999 and a transition to democracy. Indonesia faced

[2] See Annex A, "OTI Budget Allocations by Program and Funding Account," for details.

serious economic and political challenges in moving from a largely autocratic, military-dominated regime to a more open, democratic rule.

The objective of the OTI program was to assist USAID/Indonesia in supporting the political transition. Principal activities included elections support, media strengthening, civil society support, civil-military relations and conflict mitigation. In addition to its Jakarta office, OTI set up two regional offices (in Medan and Surabaya) to manage its activities. OTI-administered funding through FY 2000 approximated $30 million, including contractor implementation support.

An evaluation team visited the country during September 2000 to collect data. The team visited several sites (Jakarta, Yogyakarta and Surabaya). At the time of the evaluation phase-out was targeted for September 2001 but the program continued into 2002, its fourth year in country.

East Timor

OTI started its program in East Timor in November 1999 in the wake of a devastating conflict following the August 30, 1999 vote by the East Timorese favoring independence from Indonesia. The Indonesia-backed militia in East Timor, aided by the Indonesian army, reacted to the vote by destroying much of East Timor's infrastructure, burning 70 percent of the capital city of Dili, removing extensive property, and laying the area to waste. More than 60 percent of the indigenous East Timorese (approximately 500,000 people) fled. The U.N. peacekeeping force arrived in September 1999 to restore order; shortly thereafter the interim U.N. transitional government was established. Recovery was particularly challenging because the non-East Timorese Indonesians had previously held nearly all of the skilled positions in the territory.

The OTI program aimed to develop the political and economic environment for nation building and transition to independence. Principal OTI activities included transition employment, community stabilization, media strengthening, and support for civil society organizations. OTI, under the authority of OTI/Jakarta, was the sole on-site USAID office in the territory. USAID/Jakarta staff managed the mission coffee cooperative activity for East Timor from Jakarta, visiting East Timor periodically. OTI-administered funding for East Timor through FY 2000 approximated $14 million, including contractor implementation support.

An evaluation team visited Dili, East Timor in September 2000. At the time of the evaluation, OTI program phase-out was targeted for December 2001. This date slipped to September 2002. Full handoff was likely to slip into FY 2003 or approximately three years.

Kosovo

OTI initiated its program in Kosovo in November 1998, confined largely to the capital city of Pristina because of the increasing security problems. As the security situation

worsened and shortly before the NATO countries launched the air war against Serbia, OTI staff departed Kosovo. During the war OTI worked with Kosovars exiled in Macedonia, helping them prepare for their return to Kosovo. With the June 1999 agreement on Serbian military withdrawal and the arrival of the NATO-provided Kosovo Force, OTI restarted its programs in Kosovo. The Kosovars and remaining Serbs faced serious devastation in the aftermath of the war.

The purpose of the OTI program was to promote local participation in community decision-making and, after the war, address urgent postwar reconstruction needs. OTI coordinated its program with that of the USAID mission, established in Pristina after the war. The office set up a network of seven offices throughout the province. Principal OTI activities included support for community organization, professional and independent media, and civil society organizations. OTI-administered funding for FY 1999 and FY 2000 approximated $ 21 million, including implementation support.

An evaluator visited Kosovo in October 2000. He visited four of the seven areas (Pristina, Peja, Gjilan and Ferizaj) where OTI was operating. OTI phased out its activities in September 2001 after nearly three years of involvement.

Nigeria

OTI initiated its program in April 1999 in the aftermath of 15 years of military rule in Nigeria. General Abubakar, a moderate military leader, assumed power upon the death of General Abacha, a military dictator, and announced that democratic elections would be held later in the year. With elections planned for early 1999, USAID rapidly expanded its program and presence in Nigeria, including starting an OTI transition program. The outcome of Nigeria's latest experiment with democracy was uncertain in light of the domination by the military in 30 of the past 40 years. The newly elected government faced enormous challenges in addition to initiating democratic governance: regional and ethnic tensions, economic instability, military unrest, and corruption.

The objective of the program was to assist USAID/Nigeria in supporting the political transition to democratic governance. OTI activities included leadership training, civil-military relations, conflict management, civil society/media support, energy planning and police strengthening planning. In addition to its Lagos office, OTI set up three regional offices (in Port Harcourt, Kano and Abuja) to implement its activities.

An evaluation team visited Nigeria in November 2000. The team visited activities in four sites (in Ibadan, Lagos, Port Harcourt and Abuja). The OTI program phased out in September 2001, after approximately two and one-half years.

II. EVOLUTION OF TRANSITION ASSISTANCE

The Office of Transition Initiatives was established in 1994 to provide transition assistance in countries emerging from conflict. Its role evolved over time to include conflict prevention and mitigation. The Agency views transition assistance as a "bridge" between disaster and development assistance. From a review of a number of programs, USAID assistance, while having distinct functions, forms a continuum of roles. Transition assistance shares some features and activities common to both disaster and development assistance, as noted below:

- *Disaster assistance* aims to save lives by providing food aid and non-food aid such as shelter, medical supplies, tools and seeds. It involves a rapid, flexible, and short- term (six months or less) response. It may also involve the rehabilitation of essential infrastructure. Longer-term crises (natural or conflict related) may involve extended periods of relief implemented alongside transition programs. The Office of Foreign Disaster Assistance (OFDA) manages this assistance.

- *Transition assistance* generally builds on relief, assisting with reconstruction, particularly through fostering democracy and peace. It involves a rapid, flexible and short-term response similar to that of relief. It may also support infrastructure rehabilitation as an incentive to achieve priority community or political development objectives. Transition assistance also initiates selected institution and capacity building efforts that often resemble democracy and governance activities of longer-term development assistance.

- *Development assistance* promotes sustainable economic, social and political development. It involves longer-term investments (often many years) to help partner countries build the needed infrastructure and institutions in the public and private sectors to enhance citizens' economic and social well-being. It also builds on or continues efforts initiated with transition assistance that require long-term support to achieve sustainable results. In-country USAID missions generally manage these programs for the respective regional bureaus.

Since the mid-1990s USAID has been on a steep learning curve to find effective ways to address transition and post-crisis issues. OTI was set up to: (a) reverse the gross deterioration associated with crises, (b) fortify important political transitions, (c) reduce the number of emergency demands made on the U.S. government and other international donors, and (d) create conditions conducive to the resumption of sustainable development programs.[3] From the vantage of hindsight, these initial objectives were quite ambitious.

The aim to reduce the emergency demands on USAID and the U.S. government generally underestimated the potential for conflict and the difficulty of promoting reconciliation

[3] Agency leadership articulated these aims in communications and speeches when establishing the new office.

and maintaining security. The number of complex emergencies over the FY 1995 - FY 1999 period remained high,[4] with conflict emerging in various areas across the world.

Moreover, stabilizing or reversing volatile post-conflict situations was more challenging and often took longer than anticipated. Indeed, civil wars continued or recurred in a number of assisted countries – for example, Angola, Colombia, the Democratic Republic of the Congo, Liberia and Sierra Leone. Initially OTI leadership viewed its role as very short-term – not to exceed six months – like disaster relief programs and consistent with the International Disaster Assistance (IDA) funds being used at that time. But within the first year, the office's leadership recognized the need for longer support. Indeed, one of OTI's earliest programs (Rwanda) lasted just over five years, from November 1994 to December 1999.

By the end of FY 2000 the office's stated mission was *to assist transition countries during the critical two-year period when they were most vulnerable to renewed conflict or instability.*[5] The vision also broadened to encompass conflict prevention in countries at risk of precipitous deterioration into violence (e.g., Zimbabwe in January 2000).

The Agency's response to crisis and transition situations has involved both OTI and regional bureau programs. For example, in nearly all its 21 programs initiated over the FY 1994-FY 2000 period,[6] OTI managed programs alongside on-site mission programs. An exception was Sierra Leone, where OTI alone managed programs. In East Timor, OTI served as the on-site USAID presence with the USAID mission managing the coffee project from Jakarta. In Kosovo, OTI initiated its program before the air war, with the regional bureau mission established after the war.

During the early 1990s USAID regional bureaus also used various approaches to crisis situations, using a combination of development and disaster assistance. The Greater Horn of Africa Initiative, established in 1994, is one such program that attempted to link relief and development more effectively to address the continuing humanitarian crises in that part of Africa. The Africa Bureau later developed the integrated strategic plan to program all USAID resources to achieve the strategic objectives in a country, covering the three phases of relief, transition and longer-term development.[7]

Over time, OTI assumed an increasingly important role in responding to conflict-prone situations worldwide; its funding level also increased five times from the initial 1994 level of $8.4 million level. Often OTI was the principal, if not the only, available funding source when the numerous unexpected crises or political transitions developed. As one senior democracy and governance manager noted, because of its flexible and readily available funding OTI was called upon to support elections, an area where substantial USAID capacity existed within the long-term democracy and governance program.

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[4] USAID/Bureau of Humanitarian Assistance information on the number of complex emergencies follows: FY 95, 17; FY 96, 11; FY 97, 13; FY 98, 13; and FY 99, 16.
[5] USAID, "Office of Transition Initiatives 1999-2000 Report," January 2001.
[6] See Annex B for a list of programs and their durations.
[7] See Annex C for details on other approaches.

Interviews and case study data identified flexible funding and rapid response approach as comparative advantages of OTI in addressing crisis or rapidly developing political transitions. A comparison with an earlier non-OTI approach to transition highlights these advantages. During the 1992-1995 period USAID/Mozambique supported that country's transition from war to peace using a mix of relief and development assistance. A CDIE evaluation found that while the mission effectively supported the transition, the lack of flexible funding and implementation procedures hindered the speed and adequacy of USAID's transition response.[8] The evaluation also indicated that the rigid compartmentalization of funding and procedures hampered USAID's ability to move effectively from relief to development.

Funding Authorities

OTI was initially authorized to use IDA account funding for its activities, which provided for flexibility and notwithstanding authority. Section 491 of the Foreign Assistance Act of 1961 (the FAA) authorized the use of IDA funds for international disaster relief and rehabilitation, including disaster preparedness. Annual appropriations legislation for USAID added the term "reconstruction" to the relief and rehabilitation purposes of IDA funds. The FY 2001 appropriations legislation[9] included, for the first time, a separate line item for Transition Initiatives (TI) assistance, providing $50 million for "international disaster rehabilitation and reconstruction assistance." This included assistance "to develop, strengthen, or preserve democratic institutions and processes, revitalize basic infrastructure, and foster the peaceful resolution of conflict." This line item meant that OTI no longer competed with OFDA for a share of the IDA account. Nevertheless, the TI account language with its political development dimension raised an issue on the relation of OTI-administered transition programs and democracy and governance programs managed by regional bureaus.

In comparison with development assistance programs that are subject to congressional notifications and a 14-day waiting period with potential holds, OTI programs follow simplified procedures. The Agency agreed to submit information on new OTI country programs to Congress. These submissions are not subject to hold, although OTI adheres to a five-day waiting period before implementing new programs. OTI can also shift activities without re-notification, which according to OTI leadership is an important feature for responding quickly to changing contexts. Flexibility also exists for employing less rigorous program and activity planning within the broad objective of "political transitions successfully advanced in priority, conflict-prone countries." This permits risk-taking and experimentation with new approaches. A large number interviewed recognized this flexibility to experiment and shift emphases as a valuable asset of OTI's transition assistance. Some indicated that other Agency offices could likewise benefit from similar flexibility.

Section 491(b) of the FAA authorized the use of IDA and the new TI funds "notwithstanding any other provision" of law, including those governing procurement.

[8] USAID/CDIE Impact Evaluation, Providing Emergency Aid to Mozambique," June 1999.
[9] Section 491 of the Foreign Assistance Act of 1961, revised for FY 2001.

Thus, OTI, like OFDA, is able to operate in countries otherwise prohibited from receiving assistance. For example, IDA and TI funds may be used in countries that are subject to the Brooke Amendment, which prohibits the furnishing of assistance to countries in arrears in debt service payments to the U.S. Government. Similarly, notwithstanding funds may be used in countries where a military coup has resulted in the overthrow of a democratically elected government, such as Burundi.[10] However, for management and programmatic reasons as well as for not raising congressional concerns that USAID is abusing this extraordinary authority, both OTI and OFDA use the authority rarely. USAID's Office of Procurement (OP) reported that the Office of the General Counsel (GC) has been cautious in counseling the use of this authority for procurement purposes. The notwithstanding authority may be used to waive some procurement regulations. Competition rules are in force but source/origin requirements may be waived. OP considers requests from OTI source origin code 935 procurement ("free world").

Funding authorities are not the only factor enabling a quick and flexible response. OTI also manages funds transferred from other accounts without special authorities.[11] An operational culture emphasizing rapid action and tailored contracting mechanisms are also contributing factors. In fact, one knowledgeable contracting officer opined that OTI's responsiveness was related more to its "pre-positioning contractual and assistance instruments strategically" than to the availability of the notwithstanding authority. Contracting mechanisms and other factors are discussed in later sections.

[10] While OTI did not have a program in Burundi at the time of the evaluation, OFDA did and Burundi could be a future candidate.

[11] See Annex A, OTI Budget Allocations by Program and Funding Account. For example, in FY 2000, OTI was managing more than $20 million of non-IDA funds.

III. DECISION-MAKING TO INITIATE TRANSITION PROGRAMS

The section explores the decision-making process for initiating OTI country programs, including use of criteria and transparency of decisions. The analysis of OTI program decision-making indicates an increasingly systematic process over time. Requests for OTI programs come from other USAID bureaus or external partners. Generally the decision process involves initial research, application of a set of questions, consultations with key USAID and other U.S. government partners,[12] and one or more country visits to inform decision-making. OTI applies the following questions[13] as guidelines to better target its relatively modest levels of assistance for high impact programs:

- Is the country significant to U.S. national interests?
- Is the situation ripe for OTI assistance?[14]
- Is the operating environment stable enough for OTI's programs to be effective?
- Can OTI address the key political development issues of a transition?
- How likely is it that program implementation will result in a successful outcome?

Discussion of Findings

From document reviews, interviews and four field visits, the evaluators found that OTI used these questions as general guidelines rather than as criteria for decision-making. Moreover, the application was often informal rather than formalized in documents. OTI's country assessment usually identifies the window of opportunity presented for an program ("ripe for OTI assistance"), but may not consistently clarify the particular U.S. national interests involved or the nature of the operating environment. Predicting a successful outcome was particularly difficult to address and often beyond OTI's control. For example, stemming the conflict in Angola, the Democratic Republic of the Congo, Liberia and Sierra Leone involved numerous other actors, not just OTI. OTI eventually dropped this latter question. The office also modified the fourth question, appropriately taking into consideration not only OTI's capacity but also its comparative advantage vis-à-vis other bureaus.

The evaluators' review of the 21 programs, albeit limited by documentation available on decision-making, suggests that OTI decisions in a majority of the countries are consistent with most of the guidelines. However, one stands out: OTI's role in the post-Hurricane Mitch reconstruction in Honduras involves a natural disaster relief program rather than a political transition effort. On the other hand, OTI has turned down a number of requests for assistance, citing specific guidelines. For example, in FY 1999 the office decided not

[12] Key U.S. government partners are the State Department (including U.S. Ambassadors and embassy staff assigned to the country) and the National Security Council but other Departments such as Defense and Justice may also participate.

[13] See Annex D for detailed information on questions Used in 1999-2000. OTI subsequently broadened the fourth guideline (now "Is OTI best qualified to meet the particular transition needs of the country?") and dropped the fifth.

[14] This question was subsequently restated: "Is there a window of opportunity."

to initiate a program in Cambodia because a transition toward democracy was not taking place or in Sudan because of continuing conflict, military stalemate and limited negotiation efforts. In some cases OTI provided technical assistance to conduct transition analyses for other bureaus, without initiating a country program. Examples include Burundi, Georgia and Peru/Ecuador.

The evaluators reviewed decision-making processes for each of the four case studies, including the application of the questions to these decisions. Findings are summarized by below:

Indonesia. OTI used the questions as informal guidelines in deciding to initiate a program in Indonesia. The three most important factors were the significant U.S. economic, political and security interests in the country; Suharto's resignation and the opportunity to support a democratic transition; and a sufficiently calm post-crisis environment permitting reform. Decision-making included consultation with both other U.S. officials in both Washington and in Indonesia. The informal decision-making process allowed maximum flexibility for quick action, but not for transparent documentation. Nor were the questions helpful in guiding program duration planning.

East Timor. OTI also considered the questions in starting its program in East Timor. The initial assessment, while not a decision-making document, provided the principal justification for the program. The importance of the East Timor-Indonesia relationship to U.S. interests and the opportunity to help establish a stable democratic country were important factors in the decision. The decision to support U.N. and other donor efforts in East Timor was based on broad consultation with U.S. and other partners.

Kosovo. The decision to initiate a program in Kosovo met all five guidelines, although the guidelines were applied informally and loosely. Peace and stability in the Balkans, including resolution of the Kosovo crisis within Serbia, were important to U.S. national interests in Europe. OTI identified grassroots political needs it could address, thereby complementing other USAID democracy/governance programs. The decision included consultations with U.S. partners and other funding organizations.

Nigeria. The decision to initiate a program in Nigeria, while not documented systematically, is consistent with the questions for engagement. Nigeria, like Indonesia, was designated as one of four priority countries for U.S. promotion of democracy. U.S. economic and security interests in Nigeria are also important. The sudden, unexpected death of General Abacha in 1998 and the succession of General Abubakar, who called for economic reform and elections, provided an important window of opportunity. OTI worked closely with the Africa Bureau and U.S. partners in designing its Nigeria program. Nigeria's history of military-dominated politics made a successful outcome highly uncertain.

As noted above, the decisions to engage involved close consultation with various U.S. and other partners and are generally consistent with the guidelines, but without documentation of their application. While informal application of questions may permit flexibility in decision-making, the informality also makes it difficult for OTI to readily

demonstrate its adherence to such guidelines.[15] In 2000 OTI agreed to provide Congress information on new programs and adhere to a five-day waiting period prior to implementation. This discipline provides the opportunity to clearly justify decisions in writing based on criteria rather than informal guidelines, without excessive bureaucracy or slowing the implementation process. As modified, the set of four questions can better serve as genuine criteria for decision-making. More systematic use of the criteria could also strengthen OTI's ability to resist pressure for involvement in unsupportable situations. Relating initial decision-making to estimated program duration could also facilitate handoff later on. This point will be further discussed in the section on duration and handoff.

Recommendation

- That OTI systematically document the application of the guidelines to its decisions to initiate country programs. This would clearly demonstrate adherence to the guidelines and make decision-making more transparent. The documentation could be a part of the written field assessment or other internal document that justifies the initiation of a program.

[15]The OTI website designates the questions as "criteria."

IV. PLANNING TRANSITION PROGRAMS

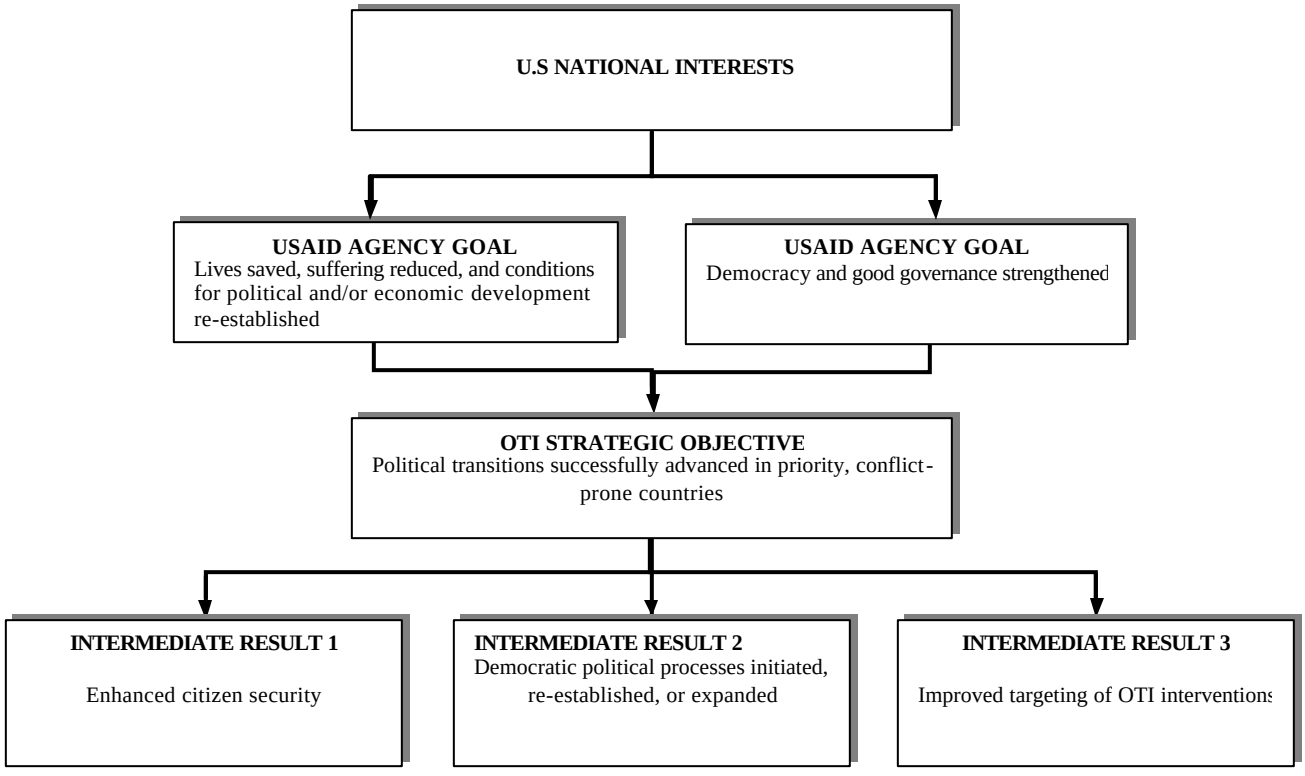
This section examines the planning of transition programs, including the relationship between OTI program planning and country strategic planning. The discussion below includes both office-level planning and country program planning.

Discussion of Findings

OTI Planning

Initially OTI focused on defining its role and developing activities for country programs rather than strategic planning. The office's first strategic plan was approved in January 1997.[16] The plan established a strategic objective – political transitions successfully advanced in priority, conflict-prone countries – and two intermediate results (IRs). The plan recognized the challenge of measuring performance for transition programs and indicated the intent to evolve an approach over time and to rely largely on qualitative indicators. The FY 1999 R4 included restated IRs 1 and 2 plus a new process one, IR 3. See the revised framework below:

OTI Strategic Results Framework[17]



[16] USAID/BHR/OTI, "OTI Strategic Plan," November 1996.
[17] USAID/OTI Results Review FY 2000, Figure 3, p. 7. Agency goals include updated language of the revised Agency Strategic Plan.

As initially conceptualized, the stated OTI strategic objective was at a high level and proved difficult to operationalize for performance reporting. Moreover, the objective itself was beyond OTI's manageable interest for most transition situations that involve multiple actors, including those supporting long-term contributions. The office did not develop indicators, baselines or targets for monitoring progress at the SO level. Nor did the FY 1999 and FY 2000 Results Reports and Resources Requests (R4s) and the FY 2001 annual report discuss progress at this level.

At the IR level, OTI identified indicators for IR 3 but not for IRs 1 and 2. Nor were baselines and targets for monitoring performance set. Instead the R4s largely included anecdotes, including those from ex post facto assessments, to report on country program performance (e.g., selected achievements related to civil-military relations activities in Nigeria and Indonesia). The FY 1999 and FY 2000 R4s report on IR 3, a process result, under categories of speed, targeting (re-targeting), resource leveraging and policy leveraging. However, as with the strategic objective and other IRs, the R4s do not report progress against specific targets. The FY 2001 report reviews progress on country program objectives (albeit designated as targets) rather than on IR targets. It includes some numerical indicators related to targets although it is not clear the targets were projected ahead of time.

Thus, by and large, performance reporting remains ex post facto and anecdotal rather than systematic and data-based against projected targets. OTI's efforts to develop indicators and baselines for new programs should help monitor overall impact at the country program level.[18] Ex post facto evaluations or assessments that generate data within a framework providing for pre- and post comparisons (e.g., before/after state) may help overcome the absence of baselines and data for ongoing country programs.[19] But reporting will still require the establishment of an appropriate monitoring system that assesses performance across country programs.

Some have questioned whether program performance reporting at the office level, including the establishment of indicators and targets for assessing progress, is possible for OTI's transition programs. They cite the unpredictable nature of crises or conflict-prone situations, the shorter time frame and OTI's approach to tailor responses to a particular country context as factors impeding the projection of results.

The articulation of a strategic objective(s) that reflects transition programs in all countries is in principle feasible, but would require identifying a focused objective, meaningful indicators and systematic data generation. IRs would also need to emphasize broader results that encompass major OTI interventions. A number called for OTI to focus on interventions where it had a comparative advantage and could demonstrate results – for example, media strengthening to mitigate tension in conflict-prone situations and community-based reintegration and rehabilitation in post-conflict settings. OTI could

[18] Reported by OTI staff during the May 2002 annual review of transition program results.
[19] An example of such an approach was Robert J. Morin Jr. and Dan S. Stinson, "Transition to Long-Term Development: An Evaluation of the USAID/OTI Program in Kosovo," November 2001.

draw from its guide of program options[20] to define objectives encompassing the impact that can be achieved through principal activities.

An option for monitoring and reporting on program performance at the office level is to concentrate on process or operational performance aspects that can be reasonably monitored across countries and programs. OTI is already using some of these indicators but would need to establish targets, based on experience to date, and monitor progress systematically. Indicators might include time period to set up new programs (speed), number of new outreach activities and handoff actions. Plans and performance monitoring for transition country programs could be integrated with USAID country strategic plans (e.g., as a special objective or IR contributing to a SO in the country strategic plan) where USAID regional programs exist, or established separately where OTI is the only USAID entity operating in a country.

OTI programs contribute to both the humanitarian and democracy/governance goals of the Agency Strategic Plan. While stated differently, the OTI strategic objective is actually closer to the DG goal. Furthermore, most OTI programs involve activities similar to those supported by DG programs – e.g., support for civil society organizations in articulating political issues, media strengthening and elections support. Yet Agency reporting on political transitions is not included in the Agency's performance reporting on DG programs. Many OTI activities also focus on conflict management and mitigation, a new priority for the Agency and one that may also involve a new goal area and/or new strategy. The close relationship of OTI transition programs with the DG and conflict areas raises a concern: Should OTI's future plan and performance reporting be more closely integrated with goals and reporting in the DG and conflict management and mitigation areas? OTI's development of a new strategic plan provides the Agency the opportunity to better rationalize transition efforts vis-à-vis these and the humanitarian area.

Country-level Program Planning

OTI's planning of country programs evolved over time, varying by region and country context. In general, initial planning involved an in-country assessment that identified potential activities and implementing partners. For several years program planning was largely an OTI effort in consultation with other USAID offices (OFDA and regional bureaus) and other U.S. government entities. Increasingly planning is a collaborative or joint effort involving USAID missions, regional bureaus, OFDA and the central democracy and governance office. Planning also involves extensive consultation with other U.S. government agencies, especially the Department of State and the National Security Council. For example, a joint USAID-other U.S. government working group collaborated in planning an overall U.S. government response in Nigeria.

[20] USAID/OTI, "Guide to Program Option in Conflict-Prone Settings," September, 2001. OTI also carried out an exchange with UNDP on local or community development approaches. OTI accelerated efforts during 2000 to share lessons learned with other USAID offices and developed a guide to a number of optional activities. These lessons, together with other USAID experience in conflict, could be used in developing an Agency strategy for conflict mitigation.

OTI's planning at the country level largely emphasizes activity planning, [21] rather than strategic planning used with long-term development programs. OTI identifies numerous "objectives" (which are more similar to activity results). However, without a specified monitoring system (including indicators, baselines and targets), the quality of reporting on overall impact has been mixed. In Indonesia and subsequently in other countries, OTI tracked information on grants to implementing organization recipients (many of which involved in-kind support for very small activities), monitored outputs, and collected anecdotes on selected activities. Periodic assessments also identified impact information (usually on an anecdotal or ex post facto basis as noted above). While the approach permitted quick response and experimentation in an area where the Agency had limited experience, it was less useful for demonstrating overall impact of substantive efforts. The approach also became less defensible as OTI gained experience and refined a number of principal approaches and administered larger multi-million dollar programs such as those in Indonesia, East Timor and Nigeria.

OTI's recent move to develop strategic plans for each country program, including performance monitoring systems with baselines for measuring performance, could facilitate systematic impact monitoring. It may also reduce the need for interim program evaluations. But it still may not permit the reporting of overall USAID performance at the country level if the transition programs and monitoring systems are not better integrated with the country strategic plans, a concern discussed below.

The evaluators noted that the record is mixed on the integration of OTI program planning and other USAID strategic planning at the country level. While OTI attempted to relate its programs to USAID country strategic plans, the link was often informal or confined to the planning stage only, even where OTI and other country programs shared common objectives. In two cases (Indonesia and Nigeria) this led to dual performance monitoring systems as well. In the FY 1999 R4,[22] OTI reported on links with country strategic plan performance reporting. But, by and large, OTI results reporting remains separate from country program monitoring. Where included, USAID mission reporting on OTI contributions was more ad hoc than systematic. This complicated the Agency's ability to fully and efficiently capture the impact of all USAID programs in the country transition context, especially in areas (e.g., civil society development and elections) where both OTI and other mission programs (usually DG) shared objectives. Closer planning for and monitoring of OTI programs within country strategic plans also facilitated handoff. This was especially true for those institutional development activities where OTI implemented a first stage of a long-term effort (e.g., media strengthening in Indonesia) or piloted

[21] Section 201.1 of the USAID ADS, August 31, 2000 provides these definitions: "Planning is the process that we use to identify appropriate results, develop approaches to reach them, assign needed resources, organize ourselves to achieve, and identify the means to measure progress. Strategic planning refers to that part of the planning process where goals and objectives are defined and approved and performance measures are identified. Activity planning defines the specific outputs needed to achieve agreed-upon results and the means for achieving them. This includes identifying the types of institutions that will actually produce the outputs, estimating costs, and identifying formal agreements that will be needed to provide USAID financing."

[22] USAID/OTI, "Results Review 1999," p. 20.

activities to be continued by the USAID democracy and governance (or other offices) (e.g., the conflict management initiative in Nigeria). Rigorous impact monitoring is less appropriate for discrete short-term OTI activities (e.g., one-time events or short-term bridging activity); output monitoring may suffice.

Below are summaries of findings of program planning for the four case studies:

Indonesia. In June 1998 OTI visited Indonesia to identify and develop transition activities, consulting with USAID mission and embassy staff. USAID/Washington decided, against the mission director's recommendation, for OTI's participation in multiple activities and initial use of three of the same implementing partners (NGOs). The approach allowed for OTI to experiment and shift activities to respond quickly. However, it also led to the proliferation of objectives, overlaps with the mission democracy and governance office activities, and difficulty in reporting the overall impact of OTI's programs. The FY 2000 strategic plan for Indonesia better integrated the OTI program into the country plan and focused OTI efforts on conflict reduction. This change helped reduce program overlap, ease program handoff and enhance opportunities for integrated monitoring. However, greater integration of monitoring systems was needed to report on USAID results in the country and facilitate handoff.

East Timor. OTI undertook an initial assessment in November 1999 to identify and plan potential activities, following up with more detailed activity planning. Planning was carried out collaboratively with the U.N. interim government, other donors and other USAID offices. In June 2000 OTI collaborated with USAID/Indonesia in developing an 18-month integrated strategic planning framework for East Timor. This framework incorporated OTI activities and a USAID/Indonesia-managed coffee cooperative activity. However, OTI continued to monitor its program separately from the planning framework, limiting the Agency's ability to report performance on all results at the country level and within the plan.

Kosovo. In October 1998, before the air war, a joint OTI-regional bureau team carried out an assessment and identified community improvement activities as a high-priority activity. The assessment identified a role for OTI in encouraging local participation in community decision-making. OTI initiated its program in November 1998 but the air war soon interrupted implementation. During the war OTI worked with refugees in Macedonia. USAID established an on-site mission in Pristina in mid-1999, after the war, and integrated OTI and other mission initiatives. OTI's objectives included: empowerment of citizens to maximize political influence in communities, local leadership development and resource mobilization to meet community-identified needs. The USAID/Kosovo strategy for FY 2001-FY 2003 clearly integrated the two programs. Yet OTI continued to monitor program performance separately and primarily with anecdotal information. The absence of a performance monitoring system (with indicators and baseline data) hindered USAID's ability to show overall program impact.[23]

[23] See Robert J. Morin, Jr. and Dana S. Stinson, "Transitioning to Long-Term Development: An Evaluation of the USAID/OTI Program in Kosovo, November 2001. This end-of-program evaluation identified the need for greater structure in monitoring to determine results achievement objectively. The evaluation

Nigeria. Planning for Nigeria involved two task forces. The first – a joint Africa Bureau, the central Democracy and Governance Office, and OTI effort – visited Nigeria in August 1998 to assess prospects for transition and develop an elections support program. After the elections, an interagency group – involving representatives from the same USAID participants plus the Departments of State, Agriculture, Commerce, and Energy[24] – visited Nigeria to develop a menu of future program options. The interagency planning process demonstrated a high degree of collaboration, resulting in a close fit of USAID and other U.S. government plans. The report recommended that OTI support the USAID/Nigeria democracy and governance objective and take the lead in conflict prevention in the Delta. Initial planning resulted in an integrated program plan. As OTI further proceeded with implementation, however, the links between OTI's activities and the country strategic plan, including performance monitoring and reporting, became weaker. Moreover, USAID/Nigeria was unable to report on OTI's effort within the country strategy context as initially planned.

Recommendations

- That OTI's strategic framework include a strategic objective and IRs that are within its manageable interest and a performance monitoring system (with indicators, baselines and targets) to track transition accomplishments systematically across programs. This could involve greater focus on results achieved through selected activities where OTI has a comparative advantage.

- That the Agency better rationalize OTI, democracy and governance, and the new conflict and management programs,[25] including strategic goals, objectives, activities and performance monitoring. Such rationalization could help reduce overlap and better integrate planning and monitoring in these areas.

- That the Agency better integrate plans and monitoring systems for OTI and other USAID programs at the country level. This would help reduce the proliferation of objectives, facilitate program complementarity, simplify impact monitoring, and consolidate all USAID performance reporting at the country level.

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developed an assessment framework that moved beyond the reliance on anecdotal information, providing an approach for future OTI approaches to monitoring community development efforts.

[24] The Departments of Defense, Justice and Transportation were also consulted.

[25] The reorganization of the Agency in 2001 placed OTI and democracy and governance offices together in a Democracy, Conflict and Humanitarian Assistance Bureau. A Conflict Management Office was also added to the new bureau structure.

V. IMPLEMENTING TRANSITION PROGRAMS

This section examines OTI's program implementation and operations and its relationships with humanitarian and sustainable development programs. The discussion below covers OTI's response, procurement mechanisms, authority relationships, staffing and operations support for country programs.

Discussion of Findings

Rapid and Flexible Response

OTI's approach to implementation is characterized by rapid, flexible action and experimentation. This developed initially under strong Agency leadership support for developing innovative approaches to political transitions following crises or civil wars. OTI leadership places priority on rapid, catalytic action and tailoring responses to the particular country context. The office often addresses more sensitive political issues – for example, civilian-military relations in Indonesia, corruption and civilian-military relations in Nigeria, and the development of political opposition in Serbia. Use of IDA and TI funds as well as procurement mechanisms tailored for transitions needs facilitates the quick, flexible response.

Those interviewed identified OTI's ability to respond rapidly as its most appealing asset. Many observed that OTI was able to respond more rapidly than sustainable development programs. Once a decision to initiate a program is made and the U.S. Ambassador submits a formal request for use of IDA (or TI) funding in the country, OTI moves quickly to program implementation – including opening field offices, deploying staff and executing initial grants. Monitoring information for OTI programs in FY 1999 showed rapid start-ups – for example, the decision to open (or re-open) an office took 30-45 days; staff hiring or deployment, 30-45 days; initiating first grants, 40-90 days; and implementing grants generally, 21-30 days.[26]

OTI's flexibility to program funds and explore new approaches during implementation is another positive feature identified in interviews. However, some noted that continued experimentation with new approaches without sufficient focus on areas of comparative advantage might limit OTI's ability to demonstrate results effectively.

Procurement Mechanisms

OTI developed procurement mechanisms that supported a rapid, flexible response. One involved the setting up of the so-called "bull pen" of consultants under flexible contracts for deployment as needed. On short notice, these consultants provide a variety of services – initial country assessments, operational support (e.g., management information system development), activity design and termination planning.

[26] USAID/OTI, "Results Review FY 1999," p. 24.

Another mechanism is the set of indefinite quantity contracts (IQCs), known as Support Which Implements Fast Transitions (SWIFT) contracts, established for providing transition services. After using a variety of institutional contracts during the initial years, OTI decided to establish these IQCs, tailored for rapid response in transition situations. Available services include the establishment and administration of regional offices; provision of technical assistance; procurement of commodities; and development and implementation of agreements with partner country nongovernmental organizations (NGOs). OTI's use of the IQCs far exceeded its expectation: it reached the initial ceiling of $25 million within 18 months and expected to reach the expanded ceiling of $50 million by the end of 2000. Other USAID operating units could access these contracts for transition programs, although the evaluators found that mission staff were either unaware of the availability of these contracts for their use or, if aware, thought the mechanism expensive relative to other institutional contracts.[27]

OTI used the SWIFT contracts effectively to extend outreach beyond the capital cities in Indonesia, East Timor and Niger. Services from regional offices provided in-kind technical, procurement and training support for numerous local level or grassroots organizations. Mission staff identified local outreach as a strong feature that complemented mission efforts centered in the capital city and expanded USAID's capacity to identify contacts and important emerging local groups. The USAID missions in Indonesia and Nigerian continued support for selected OTI-assisted organizations, although using other contracting mechanisms. In Kosovo, OTI established a grant with a U.N.-affiliated organization[28] that provided local-level support similar to SWIFT services.

Using the SWIFT and similar procurement mechanisms facilitates work with local organizations with weak institutional capacity. But even with the considerable contractor support, OTI staff provided substantial hand-on efforts. For example, in Indonesia, East Timor and Nigeria, OTI staff worked directly with numerous small organizations to strengthen very small activity proposals. OTI's program in Indonesia illustrates the dimensions of such a workload: during FY 1999 and FY 2000 OTI implemented 346 grants, averaging $5,000 to $50,000 in cost and lasting less than one month in duration. In Kosovo OTI staff closely worked with numerous community councils.

OTI also set up a few larger grants with U.S. private voluntary organization (e.g., with Internews for media strengthening and with the National Democratic Institute for civil-military relations efforts, both in Indonesia) or contracts with private firms with special expertise (e.g., with MPRI in Nigeria for developing an action plan for strengthening the civilian-military relationship) for implementing specific programs. Staff oversight time was involved in managing these as well.

[27] Comparing costs of these contracts with more traditional technical assistance contracts was beyond the resources of this evaluation. However, the SWIFT contracts assume extensive responsibilities for managing implementation, including providing in-kind support for numerous small partner country local or grassroots organizations.

[28] International Organization for Migration.

As USAID expands its efforts to address conflict mitigation, there may be a need for contracting mechanisms for conflict mitigation that are less costly than the SWIFT contracts, which many mission staff viewed as expensive for long-term use. This responsibility might fall either to OTI or the new Agency conflict management mission, depending on eventual respective role responsibilities.

Authority Relationships

The OTI operating unit in Washington has overall authority for transition programs, including setting up procurement mechanisms for program implementation worldwide, approving country programs, approving in-country grants exceeding $100,000, and overall monitoring and reporting responsibilities. OTI/Washington staff oversee and support program implementation, traveling periodically to the field to support and/or monitor country programs. On the other hand, OTI field directors have major responsibility for day-to-day program management and delegated authority for approving grants up to $100,000. The relatively flat operational structure facilitates country program management and monitoring.

OTI has established a database for monitoring grants across country programs. Information collected includes basic grant details such as recipient, objective, expected outcomes, location, cost, and end of activity assessment. Field staff regularly share this information and other progress reports with OTI/Washington. The database provides a useful means to monitor grant implementation; but, its organization by activities makes it less useful for monitoring impact or results. Monitoring of impact involved periodic assessments relying on anecdotal information. As noted in the planning section, this limited OTI's capacity to capture overall impact of its programs.

Staffing

OTI/Washington is staffed largely by a small number of U.S. government direct hires (USDHs) and a large number of program-funded U.S. personal service contractors (USPSCs). Field offices are staffed by program-funded USPSCs, third-country nationals and local nationals. At startup in FY 1994, the office was staffed by four U.S. direct hires (USDHs). In FY 1995, USDHs rose to six and one USPSC was hired. From FY 1997 – FY 2000, the number of USDHs stayed at seven. Since FY 1995 OTI has relied on an increasing number of program-funded USPSCs to staff its Washington office. Most USPSCs have prior development or humanitarian assistance experience, much of it overseas and with NGOs. Relying heavily on USPSCs in Washington provides flexibility to change staff as needs dictate but also impedes OTI's ability to build institutional capacity in transition support. Relying on program-funded staff in field posts permits both hiring flexibility to meet needs without using scarce operating expense funding.

Operations Support for Country Programs

OTI has used a variety of mechanisms to support staff and field operations. The office uses USAID/Washington-based contracting officers for technical assistance and

commodity procurement for country programs, but may seek policy advice from mission field-based officers. Legal advice is handled similarly. Both Washington and the field offices have executed personal services contracts for OTI field-based staff. Security support is generally provided through interagency agreements (ICASS) with the USAID mission or U.S. embassy. Support for office facilities and equipment, USPSC housing, vehicle, and other operations may be provided by OTI-managed contractors (especially outside the capital city), USAID missions, or USAID missions or U.S. embassies through ICASS agreements. From the four case studies, the evaluators found that integration of OTI and in-country mission operations support, especially the co-location of offices, facilitated more regular interaction and coordination (e.g., in Indonesia and Kosovo), program integration and activity handoff.

Recommendations

- That USAID explore establishing additional contracting mechanisms for mission use in mitigating conflict. This could include technical services for assessing potential or actual conflict, designing interventions and supporting implementation of conflict management activities. In addition, OTI could inform field missions that the SWIFT contracts are also available for mission use.

- That OTI integrate its field operations support with those of in-country missions wherever possible for enhancing integration and coordination.

VI. COORDINATION OF OTI AND OTHER PROGRAMS

OTI usually works with other USAID entities in implementing field programs, including OFDA in post-conflict situations and regional bureau field missions in various conflict-prone contexts. Variant models include Kosovo, where OTI worked alongside OFDA but preceded the establishment of a mission, and East Timor, where OTI served as the on-site USAID office. OTI also coordinates programs with USAID Democracy and Governance Offices, both at the Washington and field levels. The office also collaborates with other partners. The discussion below covers the various relationships.

Discussion of Findings

OTI and Relief Program Coordination

As noted in Section II, OFDA manages relief assistance and initially shared a funding source (the IDA account) with OTI. The evaluators found from interviews and other sources that OTI and OFDA implemented complementary programs and generally coordinated effectively. With earlier programs, the respective office roles may have been less clear – e.g., in the Balkans where both implemented similar reconstruction activities. On the other hand, the nature of the "relief to development continuum" itself also blurs role distinctions. Over time OTI emphasized political development activities while OFDA retained its traditional relief role.

The evaluators found numerous examples of effective coordination. OTI and OFDA collaborated in providing relief and conflict-mitigating assistance in the troubled province of Aceh, Indonesia. OTI's ex-combatant demobilization and reintegration activities complemented OFDA's post-war resettlement programs in the Philippines. In Sierra Leone, when the protracted conflict and sharply fluctuating violence precluded OFDA operations initially, OTI initiated innovative programs to reduce violence – for example, demobilization and reintegration of rebel forces, literacy and vocational training, and civic education. In East Timor, OFDA provided basic relief in the early post-conflict period, with OTI initiating follow-on support for NGO and community reconstruction. In Kosovo, OTI teamed with OFDA to provide reconstruction support. While OFDA initially had viewed OTI's proposed shelter support as undermining OFDA relief efforts, the two offices subsequently defined complementary roles. Accordingly, OTI provided community-requested roof tiles and bricks to residents in higher altitudes in Kosovo as part of its activity to strengthen community interaction practices whereas OFDA addressed shelter needs of low-altitude residents, using plastic sheeting materials and related relief.

The evaluators found that similar authority structures and shared operating styles facilitate OTI and OFDA program coordination. Authority for both programs is centralized in Washington under the new Bureau of Democracy, Conflict and Humanitarian Assistance.[29] Both offices generally provide short-term assistance following quick assessments and plan preparation. Both value a timely response and rely

[29] Formerly the Bureau of Humanitarian Response.

on contracting mechanisms tailored to support rapid responses. OFDA has focused its response on providing commodities to address basic needs such as food, water, shelter, medicine, seeds and agricultural tools. OTI's response remains more varied (activities range from commodity support to institutional capacity building), experimental and tailored to the country context than OFDA's but the office increasingly builds on approaches and activities used elsewhere. Finally, both have action-oriented staff (many in OTI had prior disaster relief experience). By and large, their shared objectives and operating styles facilitate both communication and program coordination.

OTI and Other Mission Program Coordination

The evaluators found that the relationship between OTI and sustainable development programs, while improving over time, still faces challenges. Analysis of information drawn from interviews, case studies and other evaluations suggests the need for improved coordination of OTI and other mission programs. Many USAID staff interviewed, including a number of mission directors, cited coordination problems. The characterization of OTI operations as resembling "an island more than a bridge" reflects this view. The case studies of Indonesia and Nigeria provide insight into coordination issues. Lessons from these cases are summarized below:

Indonesia. Numerous factors initially supported rivalry rather than coordination between the OTI and mission democracy programs. One was USAID/Washington's decision to launch a broader OTI program than recommended by the mission director. Another was the differing structures, roles, and lines of authority for program management under the respective bureaus (the Democracy, Conflict and Humanitarian Assistance Bureau, which managed transition assistance, and the Asia and Near East Bureau, responsible for other USAID programs). A third factor was the lack of understanding of or appreciation for each other's roles, priorities, and approaches. A fourth factor was the congressional earmark designating OTI as implementer of development assistance funds programmed for Indonesia. Finally, other factors were related to different staff background, experience, and leadership styles.

New USAID mission leadership improved coordination by integrating administrative systems; clarifying roles and program responsibilities within the FY 2000 strategic plan, focusing OTI's role on conflict mitigation and civil-military relations; and initiating informal cross-strategic objective teams to coordinate all USAID assistance in conflict-prone areas. Enhanced coordination between OTI and other programs encouraged program integration and cooperation.

Nigeria. The high level of collaboration between OTI and other USAID entities that characterized the decision-making and initial OTI program planning stages became less effective as implementation proceeded. Relocation of OTI outside the mission, the disagreement between OTI and the mission executive officer on operational and procurement issues, and the structural and authority roles and relationships impeded effective coordination and communication. Less than optimal collaboration during implementation of the conflict-management activity slowed the development of program synergy. Subsequent to the evaluation, both offices took major steps to improve

communication and better integrate their respective programs in preparation for OTI's departure. The improved program coordination and integration facilitated the hand-off of the conflict-management activities.

Another evaluation, conducted by OTI-funded consultants, also identified coordination concerns:

Bosnia and Croatia. The evaluation report recommended: "OTI should continue to improve its coordination with the USAID country missions to complement the U.S.G objectives. Improved communication and cooperation are needed at all levels of the OTI/USAID relationship."[30]

On the other hand, one case study shows an effective model of coordinating relief, transition and sustainable development programs:

Kosovo. Factors contributing to this success included: placement of authority for the transition program under the mission director, a mission director management style that provided sufficient independence for OTI to manage activity implementation, a strategic plan that closely integrated OTI and other mission activities, a shared understanding among OTI and sustainable development staff of their complementary roles in achieving shared objectives, and office co-location in a shared building. Partners viewed OTI as part of the USAID presence rather than as a separate entity.

Another case study demonstrates a distinct and useful model for coordinating USAID transition assistance without a conventional on-site USAID mission:

East Timor. OTI served as the on-site presence for USAID in East Timor. While under the overall operating authority of USAID/OTI in Jakarta, OTI/East Timor played a lead role in coordinating USAID assistance with the interim government, the on-site U.S. Embassy officer-in-charge, other donors, and visiting USAID/Indonesia staff. The approach permitted USAID to play an important role in the transitional territory without setting up a conventional mission. It also minimized the coordination and authority concerns observed in other locations where OTI operated within a larger on-site USAID mission. The applicability of this model elsewhere would depend on various factors, including the size of the country, U.S. foreign policy interests, and the nature of the USAID program.

The evaluators identified differences in the cultures and authority relationships of OTI and long-term sustainable development programs that made cooperation challenging. These involve time orientation (rapid, short-term aims of OTI versus long-term goals of sustainable development), approach (action and risk-taking versus the more deliberate, methodological approach characterizing complex institutional development efforts), staff (consultants with short-term relief and transition programs versus career employees or contractors with long-term development experience and skills), and bureau authority relationship (OTI is under the authority of the central DCHA Bureau, while other mission

[30] Maureen Taylor, "Final Evaluation of OTI's Programs in Bosnia and Croatia," page 7.

staff work under the field mission director, who has delegated authority from a regional bureau). But in transitions that involve a mix of short-, medium- and long-term programs improved coordination and communication are essential to develop mutual understanding, build ownership of OTI initiatives, and integrate all USAID efforts. This is an area for continued effort on the part of both OTI and development program managers.

OTI and Democracy/Governance Programs

This section examines the relationship between OTI and Agency democracy and governance (DG) programs. OTI's organizational links and culture are closer to relief than development, but its development objectives are closer to those of the Agency's democracy and governance (DG) offices. Both OTI and DG programs address political development issues and contribute to Agency democracy and governance goals. Both provide assistance for elections support, media, civil society, transparency and governance issues and civil-military relations. In the latter case, OTI funded an expert in civilian-military relations to work with the central DG office.

OTI's mandate is to support distinct but complementary efforts to regional or central bureau DG programs.[31] In general, DG programs focus on long-term sustainable institutional development while OTI programs emphasize short-term efforts. But in some instances, OTI efforts may involve short-term activities as well as institution-building efforts – e.g., strengthening the media legal framework and reforming civilian-military relations in Indonesia and creating a national NGO network in Nigeria. OTI also supports non-DG areas such as conflict mitigation and security – e.g., mine action and demobilization and reintegration of military personnel. In areas where both DG and OTI are involved, DG usually focuses on national-level institutions and policy, while OTI emphasizes local, often emerging or grassroots, organizations. However, the distinctions are not clearly or consistently drawn – for example, with elections support programs.

OTI and the central DG office coordinate their respective programs. Moreover, while valuing OTI's role, DG leadership indicated concern about potential or actual program overlap. For example, in election programs DG offices, with their considerable experience and capacity would take the lead. Yet OTI has been involved extensively in supporting elections – for example, OTI provided elections support in Indonesia, East Timor and Kosovo – alongside the mission's democracy office. In some cases, OTI instead of DG may fund elections activities because of its readily accessible funding source.

At the field level, the evaluators found that OTI and DG roles and responsibilities have not always been clear, resulting in duplication. For example, during the first year in Indonesia, OTI's election and civil society activities were similar to those of the mission DG program. In Nigeria, while OTI's and the DG's program roles initially complemented one another, over time OTI developed initiatives in relative isolation, leading to confusion and overlap. OTI often hands off programs to mission DG offices; for

[31] BHR/OTI, "Office of Transition Initiatives Strategic Plan," November 1996, p. 7.

example, the Indonesia DG office continued OTI's media strengthening initiative and the Nigeria DG office planned to continue OTI's conflict management initiative. Program coordination becomes especially important to enable the USAID mission to assume responsibility for and put mechanisms in place to continue transition initiatives that require long-term efforts to maximize impact.

As noted in Section II, the FY 2001 appropriations legislation for establishing the Transition Initiatives (TI) funding account raises a question on the relationship between DG and OTI programs. The legislation indicated that TI funding would be used "to develop, strengthen, or preserve democratic institutions and processes…." Clearly this language suggests overlapping objectives and roles between DG and OTI.

The Agency's reorganization in 2001 places the DG and OTI offices in the same bureau. With their shared political development objectives, clearer delineation of roles and relationships could occur. One question is whether the Agency should develop one democracy and governance strategy embracing both DG and OTI political development efforts to better monitor and report on Agency political development activities Agency-wide.

The establishment of the Office of Conflict Management and Mitigation (CMM) alongside OTI in the DCHA Bureau raises another question of program overlap. What will be the relationship between OTI's and CMM's strategies and programs. Integration of the roles, strategies and programs of these two offices could facilitate better monitoring and reporting on Agency conflict mitigation programs, as well as reduce potential duplication.

Coordination Between OTI and Other Partners

USAID actively coordinates its programs with other U.S. government agencies, particularly the Department of State (and American Embassies at the field level), the National Security Council (NSC) and, where appropriate, the Department of Defense (DOD). Cooperation with DOD increased in August 2000 with the signing by DG, OTI and DOD of a memorandum of understanding agreeing to undertake "cooperative and complementary approaches to design, implementation and evaluation of programs that will strengthen the ability of civilian governments to oversee and control the activities of their militaries and defense sectors."

The evaluators found strong support for OTI's role and programs among other U.S. partners. The State Department and NSC colleagues, as does OTI, place a priority on political issues and short-term solutions. Indeed, a number interviewed pointed out the contrast between OTI's ability to act rapidly and the slowness characterizing other USAID development programs. State colleagues were particularly supportive of OTI's quick responses in the aftermath of crises in East Timor and in Aceh, Indonesia. While generally very positive, U.S. partners both in Washington and the field indicated OTI's tendency to represent its operations and programs as separate from those of other USAID

offices. U.S. partners generally hold USAID mission directors responsible for all USAID programs in a country, thus expecting USAID units to speak with "one voice."

OTI also actively coordinates its programs with other bilateral donors and international funding organizations at the field level. By and large, donor partners viewed OTI's role as positive and important in initiating post-relief efforts. Some also recognized OTI's limitations in addressing conflict or political development issues that require long-term approaches based on in-depth analyses. In all four countries visited, OTI provided bridge or complementary funding for donor activities or helped identify promising local partners. A high level of coordination took place in East Timor with other donor partners as noted below:

East Timor. In the aftermath of the referendum for independence, USAID, through OTI, was the principal donor able to assess needs, target assistance and initiate the post-relief reconstruction effort quickly. By closely coordinating its assistance with other donors, OTI was able to get interim activities operating until funding from other donors became available. Initial assistance packages for restarting 26 NGOs enabled these organizations to work with the UN interim government (UNTAET) in determining priorities and nation-building issues. The Transition Employment Program provided funding for initial community reconstruction activities until the World Bank and UN funding were available. OTI collaborated with UNTAET, the World Bank and Canada in rebuilding and strengthening media capacity in the country. Coordination with other donors was extensive.

Recommendations

- That the Agency provide clear guidance to OTI and mission leaders to ensure effective communication and coordination between OTI and other mission elements. The guidance could emphasize the importance of OTI's becoming an integral part of the mission team and support operations. It could also encourage unified program planning, implementation, and results reporting wherever feasible. If such guidance came from a high level within the Agency, it would more likely encourage compliance by all bureaus. In Kosovo and Bosnia, OTI reported to the USAID mission director, which resulted in better program and operations coordination. More recently, OTI and some missions have developed memoranda of understanding that set out roles and program responsibilities. These are constructive approaches to improving coordination.

- That the Agency better rationalize democracy/governance, conflict management and mitigation and OTI programs to minimize overlap and maximize impact. For example, the DG units could consistently take the lead in elections support while OTI focuses on conflict mitigation using media during election. Or, OTI could support community or grassroots development for reconstruction purposes while DG units concentrate on long-term institutional development efforts such as civil-military relationships at the national level. The establishment of clear roles and responsibilities of OTI and DG programs at the field level could also help avoid program overlap and enhance program complementarity.

VII. DURATION AND HANDING OFF TRANSITION PROGRAMS

This section looks at the duration of country transition programs and handoff of OTI initiatives to other entities for continuation or further development. USAID and OTI leadership initially expected OTI activities to be limited to six months, similar to the guideline for OFDA short-term emergency programs. But OTI leaders soon realized that transitions would require longer periods. By 1996 the targeted time frame shifted to two years or less.[32] By 1999 the targeted duration reported was two to three years.[33] OTI's May 2002 annual report indicates an approximately two-year period.[34] The intent is to provide catalytic short-term assistance during the critical period when countries undergoing transition were most vulnerable to renewed conflict or instability.

Discussion of Findings

A review of program duration of 21 country programs initiated through FY 2000 reveals a different picture, as summarized below:[35]

Duration	Number of Programs
0 – 1 year	1
1 – 2 years	2
2 – 3 years	6
3 – 4 years	6
4 – 5 years	3
5 – 6 years	3

Only three programs lasted two years or less, with the majority of programs lasting three or more years. In recent years the trend is downward. For example, of five new starts in FY 1999 and FY 2000, one lasted less than two years; three, between two and three years; and one, a little over three years. While the Agency enjoys flexibility in using transition resources for extended periods, inconsistent application of the stated policy creates confusion between USAID and other partners on the role of transition assistance. It also raises the question of the Agency's use of transition assistance as a substitute for development assistance for addressing fundamental issues of conflict that require long-term institutional approaches.

Program duration is also related to effective handoff. Promising OTI short-term initiatives that are either pilot efforts or the first phase of a long-term development activity require effective handoff to another entity to realize sustainable results. Initially OTI paid limited attention to handoff. Over time the office recognized that planning for handoff is important to ensure that the mission or other donors continue successful initiatives and that OTI can phase out in a timely manner. Interviews and case studies identified examples of both effective and ineffective handoff. Haiti, an early program, is

[32] USAID BHR/OTI, "Office of Transition Initiatives Strategic Plan," p. 15.
[33] USAID/OTI, "Results Review FY 2000," p. 2.
[34] USAID/OTI, "FY 2002 Annual Report," May 9, 2002, p. 3.
[35] See Annex B for Duration of OTI Programs.

often cited as the least effective experience. Handoff for Guatemala, a subsequent program, was smoother and timelier. The case studies cited below reveal mixed results on duration and handoff:

Indonesia. Initially OTI was scheduled to phase out in September 2000, after approximately two years, expecting to hand off key transitional initiatives to other mission offices. But neither OTI nor mission leadership dealt systematically with handoff during the initial assessment or implementation. The duration of the OTI program continued to lengthen, going from one to three years and, more recently, to more than four years. Contributing factors included the strong support by other U.S. entities for a continued OTI presence, continuing emergence of violent conflict in various outer islands of Indonesia, and delay in planning for and initiating handoff of a number of OTI initiatives. The lack of a clear and consistently applied Agency policy on duration encouraged the mission and regional bureaus to delay in establishing alternative mechanisms for managing OTI initiatives that merited continuation. The delay resulted in OTI involvement in deeply rooted political issues – such as civilian-military, ethnic and sectarian relations – that contribute to conflict and require longer term institutional development approaches, beyond OTI's mandate.

East Timor. OTI planned for the handoff of its short-term activities generally as part of the respective activity designs. This contributed to timely handoff of its first year initiatives. However, over time the program was extended from two to three years. Factors contributing to the extension included uncertainty about future USAID involvement in the development of East Timor, strong support by the USAID mission and U.S. ambassador (in Indonesia) for a continued OTI presence, congressional support for East Timor, and absence of a clear and consistently applied Agency policy on duration and handoff. The lack of such a policy provides Agency flexibility, but also contributes to the postponement of establishing alternative mechanisms to manage OTI initiated activities that need to be continued.

Kosovo. OTI supported activities in Kosovo as part of its Yugoslavia program, began in mid-1997, and initiated a separate program in November 1998. The program lasted approximately three years. Planning for handoff was timely in spite of the uncertain unfolding regional political situation. Moreover, close coordination between OTI and other mission staff facilitated a smooth handoff. Handoffs also involved other donors in supporting OTI-initiated community improvement councils.

Nigeria. The OTI program lasted approximately two and one-half years. The handoff of several initiatives – initial training for officials, civilian-military relations and electric power – occurred on schedule. Planning for handoff was integral to the design of a number of activities such as the civilian-military relations and the police strengthening efforts with OTI responsible for the first phase and other U.S. entities managing later phases. On the other hand, ineffective communication and coordination between OTI and other mission programs slowed and complicated planning for handoff of conflict management and media activities.

These cases together with anecdotal data from interviews indicate the need for USAID to address duration and handoff concerns. OTI established a two-year program target but, until recently, operated programs much longer. Many programs were extended in the absence of a clear and consistently applied Agency policy on duration and the need for handoff of promising programs. While OTI increasingly plans for handoff of initiatives that merit continuation by USAID missions, missions likewise need to recognize that transition resources are additive and may require other resources, both management and financial, to continue them.

Recommendations

- That the Agency clarify its policy on the duration of transition assistance. This could include guidance not only on the expected time frame but also the identification of the circumstances under which a program would be extended or phased down rather than phased out. Establishing a clear understanding on duration at start-up could facilitate timely phase-out. It could also ensure that transition assistance is used consistently with its mandate and where it has a comparative advantage – during short periods of two-three years in countries emerging from or moving toward conflict. A memorandum of understanding or similar communication between OTI and regional bureaus (and the participating field mission) could document such an understanding.

- That OTI plan early for activity handoff, preferably at the activity design stage. Planning needs to be closely coordinated with the appropriate USAID mission staff or partner who will assume activity management or expansion responsibility.

VIII. EFFECTIVENESS OF TRANSITION ACTIVITIES

This section examines the effectiveness of OTI's transition efforts. It identifies general findings that cut across programs and discusses selected activities that showed promising initial results. Data on activities is largely anecdotal.[36]

Over the FY 1994-FY 2000 period, OTI initiated transition programs in 21 countries,[37] managing resources totaling more than $250,000,000. Activities initiated fall in three areas – citizen security, democratic political process and a combination of the previous two – as listed below.[38] OTI's activities mainly focus on democratic political development areas, although the breadth of activities reflects the experimental, country-by-country approach pursued.

Citizen Security	Democratic Political Processes
Reintegration of Ex-combatants	Civil Society Development
De-mining	Transparency/Good Governance
Support for Internally Displaced Persons	Civilian-Military Relations

Both Citizen Security/Democratic Political Processes
Human Rights
Natural Resource Policy Reform
Community Impact Activities
Women
Children and Youth
Managing Interethnic/Interfaith Conflict & Fostering Reconciliation

Cross-cutting Findings

Rapid and Flexible Response

OTI's ability to respond quickly and flexibly is a major strength cited by numerous USAID staff and others interviewed. OTI is often able to move far more quickly than longer term development programs because of their flexible funding, action-oriented operating style and supporting contracting mechanisms. Post-conflict situations, where expectations are especially high, benefit from immediate action to quell hostilities and demonstrate positive outcomes of peace.

[36] As noted earlier the absence of a comprehensive monitoring system limits OTI's ability to track progress systematically across activities. In the absence of such data and time constraints for data collection, the evaluators relied on available OTI-conducted impact assessments of selected activities and anecdotal data collected during short field visits.
[37] See Annex B for list. OTI also supported activities in Macedonia through the Bosnia-Herzegovina program.
[38] OTI, "1999-2000 Report."

The evaluators found that OTI's quick response in East Timor was an important factor in stemming further economic deterioration and instability in the aftermath of the conflict following the independence referendum. In this case, USAID, through OTI, was able to initiate activities quickly at the critical juncture before other donors' post-relief funding was available. In mid-1998 in Indonesia, OTI's quick assessment and initiation of media strengthening efforts helped air political issues and complement other USAID media and election support efforts. In Nigeria OTI's rapidly initiated good governance training provided a timely and useful foundation for newly elected officials assuming leadership roles. In Kosovo, OTI's flexible response facilitated community engagement in reconstruction activities in the critical post-conflict period.

Moreover, the need for fast action on post-conflict situations may outweigh potential costs or risks. OTI's experience in East Timor demonstrates this lesson. OTI's quick provision of assistance to local NGOs effectively enabled East Timorese to participate in initial reconstruction and nationbuilding efforts. However, the rapid response also led to implementation problems, including the lack of maintenance capacity and spare parts for newly provided equipment and questions about recurring costs. On balance, however, the benefits of helping stem further political and economic deterioration with rapid response outweighed the drawbacks noted. OTI addressed the problems subsequently.

Experimental and Pilot Activities

Another characteristic of OTI's approach to transitions is its willingness to "think outside the box," trying out different or non-mainstream approaches and risking engagement in what some viewed as more politically sensitive activities – e.g. support for groups airing sensitive political issues and civilian-military relations. The TI funding allows greater flexibility in programming. In addition, OTI leadership encouraged staff to try new approaches, seemingly less constrained by existing Agency strategic objectives. Agency leadership also encouraged experimentation. Finally, the Agency and other donors had yet to build a body of knowledge on what works and what does not in conflict-prone situations.

OTI has emphasized a grassroots, local approach, more so than mainstream democracy and governance programs. For example, in numerous countries – Haiti, Rwanda, Kosovo, East Timor, and Indonesia – OTI worked at the local or community level, supporting community organizations, emerging NGOs and other groups to engage citizens in planning for and monitoring reconstruction activities or airing political issues. In Kosovo, OTI supported the formation of community groups for participating in decisions on and monitoring of local reconstruction projects and, eventually, for airing political issues related to elections. In Nigeria, OTI's conflict management workshop training engaged numerous representatives of local organizations to address conflict at the local level. Many OTI programs at the local or community level actively targeted greater women's participation. Of particular note was OTI's Women in Transition Program in Rwanda that contributed substantially to rebuilding women's lives in Rwanda.[39] By emphasizing the

[39]Hannah Baldwin, "An Evaluation of USAID/OTI's Women in Transition Initiative in Rwanda," June 1999.

local- or community-level approach in many countries, OTI's activities expanded USAID's outreach during reconstruction, conflict mitigation or political development efforts.

Traditionally USAID had not worked on civil-military relations, largely because of statutory prohibitions on working with the military. However, strengthening civilian institutions to manage the military is critical to successful democratic transitions in countries such as Nigeria and Indonesia, both with long histories of military rule. OTI took the lead in initiating civilian-military relations programs in these two countries, collaborating with the central DG office.

OTI staff recognized the importance of media activities in post-conflict situations to inform citizens quickly of peace and democracy building efforts. OTI has actively supported media capacity building both for independent and balanced reporting on conflict and political issues and for election campaigns. OTI's pilot initiatives in conflict-prone societies were important to learning what media activities work and do not work.

Promising Initiatives

In the four case studies, the evaluators examined several activities that showed promising initial results. These are discussed below:

Indonesia - Media

The resignation of President Suharto in May 1998 ushered in press freedom and a burst of news media activity. Recognizing the window of opportunity and building on experience in the Balkans and elsewhere, OTI initiated a media strengthening effort in Indonesia in 1998, allocating $6.6 million to this area during FY 1999 and FY 2000.[40] Media activities supported infrastructure, programming, legal framework development, and capacity development activities. OTI engaged a U.S. private voluntary organization (Internews) to provide managerial and technical training for journalists and radio producers, equipment for 50 radio stations, model radio programming, and technical assistance to the national parliament to assist with media law development. The objectives were to enable the media and OTI-supported NGOs to better articulate messages on political issues.

The CDIE evaluators found the media was effective in supporting the elections, helping develop a legal framework, and building the capacity of NGOs to use media in accomplishing their advocacy and related goals. An external evaluation found that "the multi-faceted voter and civic education campaign of FY 1999 reached a high percentage of the Indonesian population with its messages of participation and democracy."[41] The voter education campaigns increased people's confidence in the purpose of the election and encouraged the electorate, especially women, to vote according to personal beliefs.

[40] This amount reflects OTI's allocations for "media strengthening" only. "Elections support" and "civil society support" initiatives also included media activities.

[41] Elizabeth Osborn, "Impact Assessment of OTI/Indonesia FY 1999 Program," April 10, 2000, p. 16.

The voter education campaign, using public service announcements, reached 140-180 million television viewers. Announcements in tabloids and print reached approximately 23 million individuals. In addition, journalists and producers reported upgraded skills, including skills for election reporting, as the most important result of the OTI-financed training.

The OTI-supported local polling center developed capacity to provide information on voting patterns nationwide. The surveys became the building block for the USAID mission to monitor progress on airing issues during elections. A number of the NGOs launched post-election media activities, focusing on governance and regional autonomy issues. Another outcome was the development of a print press law, assisted with OTI-funded technical expertise. This law facilitated the establishment of more than 200 new publications. The modification of broadcast laws facilitated the approval of five new television stations. Other results included the development of a code of ethics for media, radio productions on important political issues (e.g., government policy on the role of parliament), improved NGO media watch activities and strengthened capacity of numerous NGOs to use media – radio, television, print as well as alternative media such as posters and puppet shows – to enhance communication and outreach.

The evaluation concluded that the media initiative was visible, timely and effective. Moreover, the linking of short-term assistance with institution-building initiatives (such as the legal framework development) built an effective base for media. OTI handed off its media strengthening initiative to the USAID democracy and governance office, which continued to support institutional development.

Kosovo – Community-Based Activity

The OTI initiative aimed to help Kosovars form community-level organizations – Community Improvement Councils (CICs) – that represented their members in identifying and implementing local, small-scale improvement projects. The activity facilitated group formation, interaction and decision-making practices and provided grants as an incentive and a means to develop democratic organizational skills. OTI allocated $6.6 million for grants to CICs over the July 1999 – September 2000 period.

The CDIE evaluator identified promising results of the CIC initiative. OTI assistance helped form more than 220 CICs that in turn identified community improvement needs, decided on priority activities, obtained self-help resources, and monitored implementation. The activity engaged an estimated 30,000 – 40,000 Kosovars in the implementation of a variety of community improvement activities. In the absence of baseline data, assessment of overall program impact on the development of democratic practices was difficult. Anecdotal information provided examples of successful community interaction and decision-making on community improvement efforts. Many of the CICs took on a life of their own, supporting the growth of grassroots democracy in a region where both grassroots decision-making and democracy itself were not part of the historical or cultural norm. The CIC approach also filled the vacuum in the absence of local government by helping communities learn organizing principles and dampen an

elitist tendency to vest power in a small number of traditional leaders.[42] Other donors also adopted the CIC model to establish community-level priorities, providing an additional $4 million to support CIC reconstruction projects.

OTI also assisted the CICs in conducting surveys on community issues to be debated for the municipal election campaigns. More than 130 CIC members competed in Kosovo's first-ever democratic local elections and 25 won seats.

In late 2001 external evaluators assessed the contribution of the CIC activity building democratic political practices. The evaluation identified four developmental stages of community interaction – nascent, emerging, expanding, and mature – and found that most communities and local governments were entering the "expanding" stage.[43] That is, governance structures were elected and beginning to operate, grassroots community organizations were independently articulating needs to elected officials, local communities indicated that accountability and transparency were becoming more important, and communities were beginning to address diversity in representation. Councils were also learning to communicate their concerns and priorities to the international community, thereby helping donors better respond to local needs.

The CIC activity also made important contributions to reconstruction in the aftermath of the war. Reconstruction results through September 2000 included: 74 schools repaired or built; 9 roads improved and 5 bridges repaired or reconstructed; 27 water systems repaired; 2 factories rehabilitated; 6 sewage systems repaired or built; 6 health clinics or hospitals repaired and supplied; 13 postwar community clean-up projects completed; 6 central heating systems installed or improved; 15 community and/or youth centers repaired; 18 buses and 8 garbage trucks provided; equipment for rebuilding 500 houses provided; and new roofing for 250 houses supplied. An important indication of community commitment was their contribution of $2 million in cash and in kind to supplement the OTI reconstruction funds. Based on close monitoring and the extensive activities implemented, OTI estimated that a million people would ultimately benefit from the CIC improvement efforts.

The CDIE evaluators concluded that the community development approach effectively introduced basic democratic processes at the grassroots level, while at the same time helped war-devastated communities meet reconstruction needs. Using grants for community-identified infrastructure as an incentive and a means to facilitate community organization is an important approach for achieving a combination of political and reconstruction objectives. By encouraging communities to obtain multiple sources of funding and assistance to complement USAID support, the activity discouraged dependence on a sole funding source and boosted confidence and capacity to achieve community improvement needs. The CIC approach in Kosovo is an important tool for addressing post-conflict reconstruction challenges.

[42] OTI, "OTI Impact Assessment of Kosovo," April 2000.
[43] Robert J. Morin, Jr. and Dana S. Stinson, "Transitioning to Long-Term Development: An Evaluation of the USAID/OTI Program in Kosovo," November 2001.

Nigeria – Conflict Management

Conflict related to ethnic differences, religious affiliation and access to resources was widespread in 1999 in the aftermath of the shift from military to democratic rule. Violent outbreaks resulted in hundreds killed in the North or southeastern Delta and threatened political stability and the fragile democracy. OTI provided grants to local organizations to hold interactive, participatory workshops for groups with high potential for conflict and to train trainers in conflict mitigation. Through October 2000 OTI supported workshops in six conflict-prone geopolitical zones, training 1,200 Nigerian trainers. Approximately $2 million supported this effort through FY 2000.

The evaluators found this activity showed promising initial results. Results included changed attitudes of individuals, changes in institutions (including police, legislative bodies, and political parties), and prevention or reduction in violent conflict among local groups. For example, as a result of the efforts of a drama group from Ibadan, prevailing attitudes of "readiness to fight" shifted to non-violent ones. Another result was changed police attitudes on dealing with conflict in Oke Ogun. One police commander was so enthusiastic he subsequently initiated conflict resolution training for police nationwide. Results also included the stabilization of the long-standing Ife-Madakeke fight that earlier government interventions had failed to quell in March 2000.

On the other hand, the evaluators found the need for follow-up workshops to reinforce positive results. The initiative often involved a "one shot" activity where a group would receive a grant for a workshop without a clear monitoring plan or follow up activities. OTI supported little replication for "spread effect." The evaluators noted that activities flowing from workshops – such as peace mediation committees – need nurturing, including supplementary funding, and course corrections before they can be put on autopilot.

But on balance the conflict management activity demonstrated positive initial results in the area where USAID still had limited experience. Follow-on efforts in Nigeria could enhance the potential to achieve lasting results from OTI's short-term investment. Dissemination of lessons learned on managing and mitigating conflict could extend impact as well. The evaluation recommended that lessons learned be shared with state and local governments, other donors, U.N. agencies and NGOs for accelerating the learning process throughout Nigeria. Participatory workshop training for conflict management may also be applicable to other areas in Nigeria, such as developing a national or defense strategy, engaging military and legislative leaders on civilian-military relations issues, addressing animosity, and building teamwork for good governance at state and local levels. Finally, the evaluators noted that effective collaboration between OTI and permanent USAID mission offices – particularly the democracy and governance office – is important to ensure that promising initial results of this activity are continued.

IX. SUMMARY OF FINDINGS AND RECOMMENDATIONS

Decision-making to Initiate Transition Programs

Findings

OTI used a set of questions as general guidelines rather than as criteria for decision-making on engagement in a country. The review of the 21 programs indicated that OTI decisions in a majority of the countries are consistent with most of the guidelines. However, one stands out: OTI's role in the post-Hurricane Mitch reconstruction in Honduras involves a natural disaster relief program rather than a political transition effort. Decisions to engage in the four countries involved close consultation with various U.S. and other partners and were generally consistent with the guidelines. The application was often informal rather than formalized in documents. While informal application may permit flexibility in decision-making, such informality makes it difficult for OTI to readily demonstrate its adherence to such guidelines.

Recommendation

- That OTI systematically document the application of the guidelines to its decisions to initiate country programs. This would clearly demonstrate adherence to the guidelines and make decision-making more transparent. The documentation could be a part of the written field assessment or other internal document that justifies the initiation of a program.

Planning Transition Programs

Findings

At the office (operating unit) level, the OTI strategic objective of the 1997-approved plan was at a high level and beyond OTI's manageable interest. The objective also proved difficult to operationalize for performance monitoring; OTI did not develop the indicators, baselines or targets for annual reporting purposes. At the intermediate results level, OTI identified indicators for one of the three results but did not set baselines and targets for monitoring any of them. Performance reporting largely relies on ex post facto, selected anecdotal information rather than data collected against projected targets. Whereas the OTI strategic objective contributes to both the humanitarian and democracy and governance goals of the Agency Strategic Plan, performance is reported only under the humanitarian goal. And, finally, the relationship between the OTI conflict mitigation activities and a new Agency priority area of conflict management and mitigation is unclear.

At the country program level, planning emphasizes activities. Increasingly, planning is a collaborative effort involving USAID missions, regional bureaus, OFDA and the central democracy and governance office. There is also extensive consultation with other U.S. government agencies and other donors. However, OTI's record on integration of planning with other USAID strategic planning at the country level is mixed. While OTI attempted

to relate its programs to USAID country strategic plans, the link was often informal or confined to the planning stage only. OTI recently began to develop strategic plans for each country program, including performance monitoring systems with baselines for monitoring. But these plans and their monitoring systems could be better integrated with the USAID country strategic plans.

Recommendations

- That OTI's strategic framework include a strategic objective and intermediate results that are within its manageable interest and a performance monitoring system (with indicators, baselines and targets) to track transition accomplishments systematically across programs. This could involve greater focus on results achieved through selected activities where OTI has a comparative advantage.

- That the Agency better rationalize OTI, democracy and governance, and the new conflict and management programs, including strategic goals, objectives, activities and performance monitoring. Such rationalization could help reduce overlap and better integrate Agency planning and monitoring in these areas.

- That the Agency better integrate plans and monitoring systems for OTI and other USAID programs at the country level. This would help reduce the proliferation of objectives, facilitate program integration, simplify impact monitoring, and consolidate all USAID performance reporting at the country level.

Implementing Transition Programs

Findings

Implementation is characterized by rapid, flexible action and experimentation. Many interviewed observed that OTI was able to respond more rapidly than sustainable development programs. OTI's flexibility to program funds and explore new approaches in addressing conflict-prone political transitions is another positive characteristic of transition programs. However, some cautioned that continued experimentation without focus on areas of comparative advantage might limit OTI's ability to demonstrate results.

OTI developed procurement mechanisms that supported a rapid, flexible response. Examples include the pool of consultants with flexible contracts for deployment as needed and a set of indefinite quantity contracts (Support Which Implements Fast Transitions or SWIFT). A number of field mission staff indicated that the SWIFT contract was expensive for missions to use for continuing long-term programs.

The evaluators found that integration of OTI and in-country mission operations support, especially the co-location of offices, facilitated more regular interaction and coordination (e.g., in Indonesia and Kosovo), program integration and activity handoff. OTI's relatively flat authority structure at the field level facilitates program management and monitoring.

Recommendations

- That USAID explore establishing additional contracting mechanisms for mission use in mitigating conflict. This could include technical services for assessing potential or actual conflict, designing interventions and supporting implementation of conflict management activities. In addition, OTI could inform field missions that the SWIFT contracts are also available for mission use.

- That OTI integrate its field operations support with those of in-country missions wherever possible for enhancing integration and coordination.

Coordination of OTI and Other Programs

Findings

OTI works with other USAID entities in implementing field programs, including OFDA, regional bureau field missions, and the democracy/governance office. In general OTI and OFDA collaborated effectively in providing their respective relief and conflict-mitigating assistance. Their shared objectives and operating styles facilitated communication and program coordination. Similar authority structures (centralized in Washington), their short-term programs based on quick assessments, as well as their quick responses relying on tailored contracting mechanisms, facilitate coordination.

In contrast, coordination between OTI and sustainable development programs has a mixed record. Kosovo provides an effective model of coordination but serious coordination issues arose in two (Indonesia and Nigeria) of the four countries studied. Other evaluators identified coordination problems in Bosnia and Croatia as well. Among mission directors interviewed, many identified the need for improved coordination between OTI and other mission programs. The characterization of OTI operations as "an island more than a bridge" reflects this viewpoint. The evaluation identified differences in OTI and mission authority relations and cultures that make coordination difficult: time frame (rapid, short-term aims of OTI versus long-term goals of sustainable development), approach (action and risk-taking versus the more deliberate, methodological approach characterizing complex institutional development efforts), staff (consultants with short-term relief and transition program experience versus career employees or contractors with long-term development experience and skills), and bureau authority relationship (OTI is under the DCHA Bureau, while other mission staff work under the field mission director, who has delegated authority from a regional bureau).

OTI and the central democracy/governance office generally coordinate their respective programs effectively. At the field level, roles and responsibilities of OTI and the DG units have not always been clear, resulting in duplication. Both OTI and DG programs address political development issues and contribute to Agency democracy and governance goals. Both provide assistance for elections support, media, civil society, transparency and governance issues and civil-military relations. In general, DG programs

focus on long-term sustainable institutional development while OTI programs emphasize short-term efforts. But in some instances, roles are not clearly or consistently drawn. In addition, the establishment of the Office of Conflict Management and Mitigation in the DCHA bureau raises another question of potential overlap in roles and programs.

Strong support for OTI's role and programs exists among other U.S. partners, particularly the State Department. OTI also actively coordinates its programs with other bilateral donors and international funding organizations at the field level. In East Timor, where OTI served as the on-site presence for USAID, coordination with other donors was particularly effective.

Recommendations

- That the Agency provide clear guidance to OTI and mission leaders to encourage effective communication and coordination between OTI and other mission elements. The guidance could emphasize the importance of OTI's becoming an integral part of the mission team and support operations. It could also encourage unified program planning, implementation, and results reporting wherever feasible. If such guidance came from a high level within the Agency, it would more likely encourage compliance by all bureaus. In Kosovo and Bosnia, OTI reported to the USAID mission director, which enhanced program and operations coordination. More recently, OTI and some missions have developed memoranda of understanding that set out roles and program responsibilities. These are constructive approaches to improving coordination.

- That the Agency better rationalize democracy/governance, conflict management and mitigation and OTI programs to minimize overlap and maximize impact. For example, the DG units could consistently take the lead in elections support while OTI focus on conflict mitigation using media during elections. Or, OTI could support community or grassroots development for reconstruction purposes while DG units might concentrate on long-term institutional development efforts such as civil-military relationships at the national level. The establishment of clear roles and responsibilities of OTI and DG programs at the field level could also help avoid program overlap and enhance program complementarity.

Duration and Handing Off Training Programs

Findings

The targeted duration of OTI programs shifted from six months initially to approximately two years. However, a review of program duration of the 21 country programs initiated through FY 2000 reveals a different picture. Only three programs lasted two years or less, with the majority of programs lasting three or more years. The trend is downward: of five new starts in FY 1999 and FY 2000, one lasted less than two years; three, between two and three years; and one, a little over three years. Inconsistent application of the stated policy creates confusion on the role of transition assistance between USAID and other partners. It also raises the question of the Agency's use of transition assistance as a

substitute for development assistance for addressing fundamental issues of conflict that require longer term institutional approaches.

Program duration is also related to effective handoff. Over time, OTI recognized that planning for handoff is important to ensure that successful initiatives are continued and that OTI involvement can be phased out in a timely manner. Interviews and the four case studies revealed mixed results on duration and handoff. Many programs were extended in the absence of a clear and consistently applied Agency policy on duration and the need for handoff of promising programs. While OTI increasingly plans early for handoff of initiatives that merit continuation by USAID missions, missions likewise need to recognize that transition resources are additive and plan for the management and financial resources to continue them.

Recommendations

- That the Agency clarify its policy on the duration of transition assistance. This could include guidance not only on the expected time frame but also identification of the circumstances under which a program would be extended or phased down rather than phased out. Establishing a clear understanding on duration at start-up could facilitate timely phase-out. It could also ensure that transition assistance is used consistently with its mandate and where it has a comparative advantage – during short periods of two-three years in countries emerging from or moving toward conflict. A memorandum of understanding or similar communication between OTI and regional bureaus (and the participating field mission) could document such an understanding.

- That OTI plan early for activity handoff, preferably at the activity design stage. Planning needs to be closely coordinated with the appropriate USAID mission staff or partner who will assume activity management or expansion responsibility.

Effectiveness of Transition Activities

Findings

Transition programs demonstrate effectiveness in two areas across numerous activities and countries. First is the effectiveness in responding rapidly and flexibly in post-conflict situations. OTI is often able to move far more quickly than long-term development programs because of flexible funding, its action-oriented operating style and tailored contracting mechanisms. Post-conflict situations, where expectations are especially high, benefit from immediate action to quell hostilities and demonstrate positive outcomes of peace. The need for fast action in post-conflict situations to stem political and economic deterioration may also outweigh potential short-term costs or risks. Second is the willingness to "think outside the box," trying out different or non-mainstream approaches and risking engagement in what some viewed as more politically sensitive activities – e.g., support for groups airing sensitive political issues and civilian-military relations.

From the four case studies, the evaluators examined several activities. Three stand out in demonstrating promising initial results in post-conflict situations. The first is media strengthening efforts, reviewed in Indonesia. The second is the community-based activities, assessed in Kosovo. The third is the conflict management initiative, reviewed in Nigeria.

ANNEX A

OTI Budget Allocations by Program and Funding Account[1]
FY 1994-FY 2000
($000)

1994

Angola	IDA 1,516
Haiti	IDA 6,900

1995

Angola	IDA 3,209 ESF 4,200
Bosnia	IDA 983
Haiti	IDA 10,400
Rwanda	IDA 2,450

1996

Angola	IDA 8,728
Bosnia	IDA 9,054
Haiti	IDA 4,700
Liberia	IDA 76
Operations Support	IDA 330
Rwanda	IDA 1,020 ESF 500
Sierra Leone	IDA 78

1997

Angola	IDA 5,768
Bosnia	IDA 7,427
Congo	IDA 1,069
Guatemala	IDA 4,706
Haiti	IDA 2
Liberia	IDA 1,715
Operations Support	IDA 1,089
Philippines	IDA 867
Rwanda	IDA 3,798
Sierra Leone	IDA 1,774 DFA 1,000
Sri Lanka	IDA 220

1998

Angola	IDA 2,716 NK 2,400
Bosnia	IDA 8,994
Croatia	IDA 810
Congo	IDA 7,195
Guatemala	IDA 2,030
Indonesia	IDA 4,759
Liberia	IDA 418
Nigeria	IDA 33
Operations Support	IDA 2,406
Philippines	IDA 1,566
Rwanda	IDA 1,222
Serbia	IDA 1,031

[1] Source: PPC/CDIE/RRS

Sierra Leone	IDA 109
Sri Lanka	IDA 250

1999

Albania	IDA 3,000
Angola	IDA 400
Bosnia	IDA 2,991 (includes SEED funds) *
Cambodia	IDA 32
Croatia	IDA 3,686 (includes SEED funds) *
Colombia	IDA 1,095
Congo	IDA 1,408 ESF 2,500
ECOWAS	IDA 185
Guatemala	IDA 25
Honduras	IDA 4,735
Indonesia	IDA 1,618 ESF 175 DA 14,955
Ireland	IDA 800
Kosovo	IDA 12,466
Liberia	IDA 250
Lebanon	IDA 1,089
Macedonia	IDA 645
Montenegro	IDA 1,211
Nigeria	IDA 7,882 ESF 605
Operations Support	IDA 2,659
Philippines	IDA 2,033
Rwanda	IDA 552 DFA 151
Serbia	IDA 946
Sierra Leone	IDA 36 DFA 996
Sri Lanka	IDA 60
Zimbabwe	IDA 122

* A total of 2,000 in SEED funds was used for both Bosnia and Croatia.

2000

Albania	IDA 952
Bosnia	IDA 1,065
Croatia	IDA 1,091 SEED 3,915
Colombia	IDA 1,358
Congo	IDA 1,125
East Timor	IDA 1,222 ESF 10,200
Honduras	IDA 127
Indonesia	IDA 7,976 DA 42
Kosovo	IDA 9,549
Lebanon	IDA 719
Macedonia	SEED 6,000
Montenegro	IDA 1,000
Nigeria	IDA 8,970
Operations Support	IDA 2,959
Philippines	IDA 1,527
Serbia	IDA 2,602
Sierra Leone	IDA 3,099 ESF 250
Zimbabwe	IDA 2,404

Total Funding Sources by Fiscal Year

	IDA	DFA	DA	ESF	SEED	NK	Total by Year
1994	8,416						8,416
1995	17,042			4,200			21,242
1996	23,986			500			24,486
1997	28,435	1,000					29,345
1998	33,489					2,400	35,889
1999	47,926	1,147	14,955	3,280	2,000		69,308
2000	47,745		42	10,450	9,915		68,152
Total	**207,039**	**2,147**	**14,997**	**18,430**	**11,915**	**2,400**	**256,928**

DA	Development Assistance
DFA	Development Fund for Africa
ESF	Economic Support Fund
IDA	International Disaster Assistance
NK	Not Known
SEED	Support for Eastern European Democracy

ANNEX B

Duration of OTI Programs
FY 1994-FY 2000[a]

Regional Bureau	Country	Start Date	Exit Date[b]	Program Duration (Months)
LAC	Colombia	1/1999	9/2001	33
	Guatemala	6/1997	12/1998	30
	Haiti	9/1994	10/1997	37
	Honduras	5/1999	1/2000	7
ANE	East Timor	9/1999	10/2002	38
	Indonesia	8/1998	12/2002	53
	Lebanon	9/1999	3/2001	26
	Philippines	9/1997	4/2001	44
	Sri Lanka	10/1996	9/1998	24
E&E	Albania	6/1999	12/2000	19
	Bosnia-Herzegovina[c]	2/1996	5/2000	52
	Croatia	7/1997	3/2000	33
	Kosovo	7/1997	9/2001	51
	Serbia-Montenegro	7/1997	11/2002	65
AFR	Angola	4/1994	6/1999	63
	DROC (Congo)	11/1997	1/2001	39
	Liberia	11/1995	3/1999	41
	Nigeria	5/1999	9/2001	28
	Rwanda	11/1994	12/1999	62
	Sierra Leone[d]	1/1997	3/2002	44
	Zimbabwe	1/2000	3/2002	26

[a] Sources include OTI's annual reports and website.
[b] Future dates reflect status as of mid-2002.
[c] OTI also provided assistance to Macedonia through the OTI/Bosnia office.
[d] OTI suspended assistance for approximately 12 months over the FY 1997-FY 1998 period.

ANNEX C

Other Approaches to Transition Planning

This paper describes a number of models which USAID's regional bureaus have followed to address transition situations.

1. Interim Strategic Plan (ISP) [from Automated Data System (ADS) 201, August 2000]: Agency ADS guidance distinguishes between longer-term sustainable development strategic plans and shorter-term (up to three years) medium-term, transition, or *interim strategic plan*. The ISP covers bilateral programs in countries that are experiencing a period of high uncertainty because of a postconflict or crisis situation it is not feasible to develop full-fledged sustainable development strategic plan of five or more years. This model usually applies to countries that are setting up a mission after a major crisis, such as in Rwanda after the 1994 genocide, Indonesia after its political crisis and movement to democratic rule and Nigeria as it moved from a military dictatorship to a democratic government. Such a shift provides "space" or the opportunity to assist the country develop the conditions which enable it once again to pursue sounder and more effective development investments. According to Agency records compiled by CDIE as of late 2000 USAID had authorized only one ISP,[2] in Bosnia. However, at least 16[3] of the 73 USAID missions abroad have either a transition strategy in place or a major transition component to their strategy.

2. Integrated Strategic Planning[4]: USAID's Africa Bureau has developed another tool not formalized in the ADS, the *Integrated Strategic Plan*, which has replaced the CSP in a number of conflict-prone countries with existing sustainable development (SD) programs, such as Kenya.

The purpose of the Integrated Strategic Plan is to encourage planners to program all available USAID resources to achieve the stated strategic objectives. Unlike the Interim Strategic Plan, which addresses only the transition phase, the Integrated Strategic Plan embraces all phases of USAID assistance – *relief, transition and development* – and attempts to maximize the assistance impact through a judicious and strategic approach covering all three stages. The important principle here is that USAID's long-term sustainable development objectives are enhanced through integrated strategic planning. *The Agency's development emphasis remains intact*.

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[2] The nomenclature varies: ISP has not yet been universally adopted – e.g., Azerbaijan has a "Short-term Strategic Plan"; East Timor, an 18-month "Planning Framework"; Kosovo, Liberia and Zimbabwe, "Transition Plans"; and Serbia, a "Planning Document."

[3] These include: Angola, Bosnia, DRC, East Timor, Ethiopia, Guinea, Indonesia, Kosovo, Liberia, Mali, Mozambique, Nigeria, Rwanda, Senegal, Serbia, Uganda, and Zimbabwe.

[4] Strategic planning and integration of resources in the Africa Bureau have been analyzed in John M. Miller, USAID/Washington and Field Collaboration in the Use of Central Resources: a Discussion Paper, February 1998. This paper reviews integrated resource strategies in Eritrea, Rwanda, Somalia, Sudan, and other Greater Horn countries.

The Africa Bureau's integrated model has not been incorporated into Agency guidance. As noted in the evaluation, the Agency's separation of relief and development functions sometimes hampers program coordination, and the transition assistance concept is one effort to bridge this division. Some organizational reforms may be needed to make integrated strategic planning a reality.

3. Below are examples of various strategic planning models that include transitional activities.

- Kenya: an Integrated Strategic Planning Model: In June 2000 Kenya submitted an Integrated Strategic Plan to USAID/Washington. This plan identified a number of constraints to sustainable development that require transition assistance. These include weaknesses in public administration and policies, widespread corruption and low levels of investment. The document's analysis indicates Kenya must deal with a series of *transition-type issues*, many of which are political, before it can embark on a sustainable development investment path. The Plan proposes a mix of USAID funding resources, including DA, ESF and FFP Title II.

- A Regional Initiative: the Greater Horn of Africa Initiative (GHAI): The Kenya integrated strategic plan concept drew its inspiration from the GHAI, a Presidential Initiative established in 1994 in response to recurring humanitarian crises in the countries of the Horn and East Africa. An interagency task force with broad USAID representation from the AFR, BHR and Global Bureaus prepared a seminal document[5] which proposed what is now in the development lexicon: the *Relief-to Development Continuum*. The paper proposed "more effective linkages between relief and development." It proposed a model for more effective planning and programming, but many of its practical, legislative and institutional recommendations have not been adopted. However, the groundbreaking work of the task force set the stage for the Agency to begin examining ways to reduce the "stove-piping" phenomenon that vitiates program results and effectiveness. The GHAI is a sort of programmatic twin to the re-engineering concept of *doing business differently*. The task force proposed specific changes in the legislation governing the various sources of funding. These proved unworkable for a number of reasons, most related to congressional issues regarding the future of USAID in the post-Cold War era and the lack of clarity within the U.S. Government on responsibilities for such issues as conflict early warning.

However, since the Interagency GHAI Task Force issued its report and recommendations, the Agency has had more experience with transition assistance, and the report's far-ranging recommendations remain valid and appropriate for consideration. The recommendations include employee incentives and revised promotion criteria to encourage more staff to work in transition programs and to promote the relief-to-development continuum, training of staff in the concept and application of transition

[5] Linking Relief and Development in the Greater Horn of Africa: USAID Constraints and Recommendations, prepared by the Inter-Agency Team on Rapid Transitions from Relief to Development, The President's Greater Horn of Africa Initiative, May 1996

assistance, official designation of countries that are specifically transition programs, revised strategy and operational guidance for transition programs, revised emergency-proposal changes, and stronger coordination between humanitarian assistance and regional programs.

- Mozambique as a non-OTI Transition Model. The Mozambique transition described here involves the country's transition from war to peace and democratic elections in 1992. The transition period lasted three years – 1992 to 1995.

The program addressed three major objectives: "avoid war and drought-related famine and death, contribute to the implementation of the peace accord, and contribute to the reintegration of populations into stable and productive social and economic activities."[6] Four main activities of the program were: (1) PVO Support Project to help people return to their homes and re-engage in productive activities; (2) Democratic Initiatives Project to support UN efforts in civic education and election materials, logistics and training; (3) Demobilization and Reintegration Support to muster combatants out of military service and remove mines; and (4) Rural Access Activity to restore transportation links to promote people's return to farms and rural economic reactivation.

Management involved four task forces (drought emergency, elections, demobilization and reintegration, and rehabilitation and reintegration) which cut across the mission's sector divisions (now called strategic objective teams). This proved to be an effective approach, as the existing USAID development program had to be adjusted to support the peace process. The mission's development program centered on food security through economic policy reforms. The peace process absorbed much of the Mozambican public sector, so that implementation of the reform agenda was subordinated to the complicated peace efforts. Members of different teams sat on the various Task Forces, with the result that the mission's management of the transition became truly crosscutting. The CDIE evaluation points out that this was a very effective use of mission staff in achieving the multiple transition objectives.

USAID organizationally was able to respond to the peace demands, but a major constraint to implementing the transition program was the lack of contract management capacity within the mission, which stalled efforts to move ahead on the transition activities. "Implementing flexibility" proved extremely difficult with the existing procedures, which were dictated by the use of development assistance funds. "USAID spent a great deal of time determining what it could and could not do, consistent with the requirements of the Development Fund for Africa (DFA)."[7] "The demands of routine paperwork were exacerbated by the changing needs of the beneficiaries…. Processing implementation orders…and grant agreement amendments…took an average of two months."[8] To overcome this, the mission established some quick implementation projects

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[6] Kimberly Mahling Clark, "Mozambique's Transition from War to Peace: USAID's Lessons Learned," April 1996, p. i.

[7] Ibid., p.26.

[8] Ibid., p.13.

that could be modified more rapidly within the mission, but such steps still consumed valuable staff time.

In the area of ex-combatant reintegration, the mission participated in an innovative program with other donors to create provincial funds, managed by international grantees that responded to the immediate and economic needs of the returning ex-fighters. This model bears some resemblance to the future OTI grant mechanism.

The evaluation also found that the mission resorted to unsolicited proposals because the short time frame available did not allow for issuing requests for proposals or applications. At that time, USAID lacked the flexible tools that OTI would provide later, such as the SWIFT contract mechanism.

Some interviewed for the evaluation cited Mozambique as an example of USAID's ability to manage transitions without OTI. However, a later CDIE Impact Evaluation[9] found that USAID/Mozambique's transition program was hampered by the absence of a "relief-to-development" guiding philosophy. It states: "Once the emergency aid ends, traditional USAID development programs face extensive administrative and legal requirements. The transition from relief to development can be an administrative problem for NGOs and USAID."[10] Because of the rigid compartmentalization of funding between relief and development activities, USAID was not always able to respond adequately.

The evaluation of the non-OTI transition program in Mozambique reveals serious implementation constraints. These are constraints that the OTI model has been able to address and to some extent overcome.

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[9] Joe Lieberson, Elizabeth Adelski, et al., Providing Emergency Aid to Mozambique, USAID/CDIE Impact Evaluation, PN-ACA-935, June 1999.

[10] Ibid., p.16.

ANNEX D

Questions Used in OTI Program Decision-Making[11]

Before engaging in a country or region, OTI considers whether it can play a pivotal role in the transition. Funding levels are relatively modest, so programs must be carefully targeted for high impact. OTI poses five questions in determining whether to engage:

- **Is the country significant to U.S. interests?** OTI programs are aligned with foreign policy objectives and priorities set by the secretary of state. Though many transitions might benefit from OTI's assistance, funding constraints require that we focus on countries of strategic importance to the United States. Humanitarian concerns also play an important role in engagement decisions.

- **Is the situation ripe for OTI assistance?** This question considers whether a country is in a phase of transition where OTI programming can help forward peaceful change. Typically, an event has occurred – an election, a peace accord, or some other settlement – that signals movement away from conflict or instability and toward more stable, democratic governance.

- **Is the operating environment stable enough for OTI's programs to be effective?** All conflict-prone environments present significant safety risks, but a modicum of security must exist for OTI to work effectively. When security conditions threaten the safety of reform-minded citizens or field staff, OTI will not engage until a more conducive security environment is established.

- **Can OTI address the key political development issues of a transition?** Countries enter transitions from many different starting points. OTI analyzes the political context to determine whether windows of opportunity exist for accelerating progress toward peace and stability. It asks whether its core programming strengths – promoting democracy and enhancing security – can help address the root causes of conflict or instability.

- **How likely is it that program implementation will result in a successful outcome?** Most transitions are volatile. Post-conflict environments can be especially unpredictable, sometimes shifting suddenly in a direction that makes implementing programs difficult or impossible. OTI carefully considers the myriad factors and forces that might affect its activities, and decides to invest based on the likelihood of progress.

In answering these questions, OTI elicits information from a wide range of sources. It draws on the knowledge of country experts, non-governmental organizations, other

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[11] The text below is copied from OTI/BHR/USAID, "Advancing Peaceful, Democratic Change," May 1999, p. 13.

donors, and U.S. government intelligence sources. It also conducts an extensive review of academic journals, books, reports, and studies.

ANNEX E

CDIE Transition Assistance Assessment
Evaluation Questions - Scope of Work

1) Scope and Purpose: What is the appropriate purpose and role for USAID's transition assistance programs in post-conflict countries? How do we define countries in transition? (e.g. does this include pre-conflict countries)?

The mission of OTI is "to contribute to political transition in post-conflict societies." How well has OTI achieved this objective?

2) Relationship to Other Agency Programs: What is the relationship between OTI activities and strategies in-country for emergency assistance and development programs? To what extent do transition programs complement, duplicate or are fully integrated into Agency programs? What is the nature of the linkages to development programs? Have transition programs been effectively devolved/evolved into more traditional development programs? How have the USAID Mission or operating unit, donors, and partners in recipient countries worked with OTI?

3) Country Selection: What are the criteria and decision-making processes for the designation of a country to receive OTI assistance? How were the criteria developed? To what extent are the criteria transparent, appropriate and consistently applied? Who participates in the decision? What other U.S. internal actors play a significant part in the decision-making role? What is the involvement of partners (e.g., State Department, National Security Council, IFIs, bilateral and multilateral donors)? What are the strengths and weaknesses of the decision-making structures and processes from the perspectives of the involved parties (e.g., Agency senior management, BHR/OTI, regional and global bureaus and field Missions) and other partners (e.g., State, NSC, international donor community)? What have been the results of joint planning for activities?

4) Strategic and program (content) development: What is the strategic and planning process for program content of OTI programs? What are the strengths and weaknesses of the strategic planning process for OTI programs? How do field missions and regional bureaus participate in the decisions? How do policies and practices for transition programs related to those for Agency sustainable development programs? What should be the requirements for strategic and program planning for transition assistance activities?

5) Criteria for Exit: What is the duration of the transition period after complex emergencies? What are the policy, legal, regulatory guidelines on duration of OTI assistance? What should be the guidelines for transition assistance?

6) Program Effectiveness: Have USAID transition programs been effective in achieving their objectives? Has USAID been able to measure and report on the achievements/impact of its programs? What are the policy, statutory and resources constraints that inhibit or facilitate program effectiveness?

7) Management/Resources: What has been OTI's experience in managing these programs? How should the Agency structure, organize and manage these programs? What are the personnel and staffing needs for these activities? What type of personnel are required, both in AID/W and the field? What are the financial resources requirements for USAID's transition assistance program and how should they be funded?

ANNEX F

List of People Interviewed*

USAID

David Adams, E&E
James M. Anderson, AFR/EA
J. Brian Atwood, former Administrator
Hannah Baldwin, USAID/Guinea
Amb. Richard Bogosian, GHAI, OTI Consultant
Keith Brown, DAA/AFR
Craig Buck, USAID/Kosovo
Ann Convery, E&E/
David Costello, OTI/Balkans
Regina Davis, Special Assistant to AA/BHR
Dina Esposito, ex OTI
Sarah Farnsworth, E&E
Sylvia Fletcher, OTI
Mike Fritz, AFR/SA
Peter Graves, E&E
John Grayzel, PPC, former Mission Director, DROC
Tammy Halmrast-Sanchez, OFDA
Gary Hansen, G/DG
Richard Hough, USAID/Serbia
Rob Jenkins, OTI
Ajit Joshi, AFR/SD
Mary-Alice Kleinjan, GC
Susan Kosinski, G/DG
Elisabeth Kvitashvili, OFDA
Krishna Kumar, CDIE
Jim Lehman, OTI
Lowell Lynch, OFDA
Richard McCall, A/AID
Heather McHugh, OTI
Johanna Mendelson, PPC
Diana Ohlbaum, OTI
Hugh Parmer, AA/BHR
Chris Phillips, Director, OTI
Rich Ragan, DAA/BHR
Bill Renison, PPC
Len Rogers, DAA/BHR
Betty Ryner, OTI
Michelle Schimpp, G/DG
Marc Scott, OTI
Tom Stukel, OTI
Barbara Turner, AA/G
Karen Turner, DAA/ANE
Jim Vermillion, G/DG
Mike Walsh, OP
Roy Williams, Director, OFDA
Jennifer Windsor, Director, G/DG
Gary Winter, GC

Other U.S. Government

Bruce Armstrong. State/EUR/EEA

Roger Meece. State/AF/C
Jamie Metzl, State/R, formerly NSC
Matthew Palmer, State/PP
Ann Richard, SRPP
Gayle Smith, NSC
Julia Taft, State/AS/PRM
Mark Walsh, U.S. Army Peacekeeping Institute
Ambassador Howard Wolpe, State/Great Lakes Special Coordinator
Amy Young, State/DRL/DP

Other Donors/NGOs/Private Sector

Frederick Barton, UNHCR, former OTI Director
Nan Borton, former OFDA Director
John Eriksson, World Bank
Bob Gersony, Consultant
Bill Hyde, IOM
Jim Kunder, former director, OFDA
Dayton Maxwell, George Mason University
Kim Maynard
Steve Morrison, CSIS
Bruce Spake, DAI

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* Note: Those interviewed during field visits are listed in the individual country reports.

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